

**CHAPTER 72--H.F.No. 844**

*An act relating to state government; providing for funding and policy in early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, standards and assessments, charter schools, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; modifying an income tax credit; modifying a sales tax exemption; requiring rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2014, sections 5A.03; 13.32, subdivision 5; 120B.02, subdivision 2; 120B.021, subdivision 4; 120B.022, subdivisions 1, 1a, 1b; 120B.024, subdivision 2; 120B.11, subdivision 9; 120B.12, subdivision 4a; 120B.125; 120B.13, subdivision 4; 120B.30, subdivisions 1, 1a, 3, 4, by adding subdivisions; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.17, subdivisions 3, 5; 122A.09, subdivision 4, by adding subdivisions; 122A.14, subdivision 3, by adding a subdivision; 122A.18, subdivision 2, by adding a subdivision; 122A.20, subdivision 1; 122A.21, subdivision 2; 122A.23; 122A.245, subdivisions 1, 3, 7; 122A.30; 122A.31, subdivisions 1, 2; 122A.40, subdivisions 8, 13; 122A.41, subdivisions 5, 6; 122A.413, subdivisions 1, 2; 122A.414, subdivisions 1, 1a, 2, 2a, 2b, 3; 122A.415; 122A.60; 122A.61, subdivision 1; 122A.69; 123A.24, subdivision 1; 123B.53, subdivisions 1, 4; 123B.57; 123B.77, subdivision 3; 123B.88, subdivision 1; 124D.041, subdivisions 1, 2; 124D.09, subdivisions 5, 5a, 8, 9, 12; 124D.10, subdivisions 1, 3, 4, 8, 12, 14, by adding a subdivision; 124D.11, subdivisions 1, 5, 9, by adding subdivisions; 124D.12; 124D.122; 124D.15, subdivision 5; 124D.16, subdivision 2; 124D.165, subdivision 2; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 6; 124D.75, subdivisions 1, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 124D.81; 124D.98; 125A.01; 125A.023, subdivisions 3, 4; 125A.027; 125A.03; 125A.08; 125A.085; 125A.0942, subdivision 3; 125A.11, subdivision 1; 125A.21; 125A.28; 125A.63, subdivisions 2, 3, 4, 5; 125A.75, subdivision 9; 125A.76, subdivisions 1, 2c; 125A.79, subdivisions 1, 5; 125B.26, subdivision 2; 126C.01, subdivision 2; 126C.10, subdivisions 1, 2, 2a, 13a; 126C.13, subdivisions 3a, 4; 126C.15, subdivisions 1, 2; 126C.17, subdivisions 1, 2; 126C.48, subdivision 8; 127A.05, subdivision 6; 127A.353, subdivision 2; 127A.45, subdivision 3; 127A.47, subdivision 7; 127A.49, subdivision 1; 134.355, subdivisions 8, 9, 10; 135A.101, by adding a subdivision; 290.0671, subdivisions 1, 6a; 297A.70, subdivision 2; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 11, as amended; article 3, sections 35, subdivision 2; 37, subdivisions 3, as amended, 4, as amended, 5, as amended, 20, as amended; article 4, section 9, subdivision 2, as amended; article 5, section 31, subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 12, subdivisions 2, as amended, 6, as amended; article 7, sections 19; 21, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 5, subdivisions 3, as amended, 4, as amended, 14, as amended; Laws 2014, chapter 312, article 16, sections 15; 16, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; 124D; 125A; 136D; repealing Minnesota Statutes 2014, sections 120B.128; 123B.59; 123B.591; 125A.63, subdivision 1; 126C.12, subdivision 6; 126C.13, subdivisions 3a, 3b, 3c; 126C.41, subdivision 1.*

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

**ARTICLE 1****GENERAL EDUCATION**

Section 1. Minnesota Statutes 2014, section 124D.11, subdivision 1, is amended to read:

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

(b) For a charter school operating an extended day, extended week, or summer program, the general education revenue for each extended time pupil unit equals \$4,794 in paragraph (a) is increased by an amount equal to 25 percent of the statewide average extended support revenue per pupil unit.

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

Sec. 2. Minnesota Statutes 2014, section 124D.12, is amended to read:

**124D.12 PURPOSE OF FLEXIBLE LEARNING YEAR PROGRAMS.**

Sections 124D.12 to 124D.127 authorize districts to evaluate, plan and employ the use of flexible learning year programs. It is anticipated that the open selection of the type of flexible learning year operation from a variety of alternatives will allow each district seeking to utilize this concept to suitably fulfill the educational needs of its pupils. These alternatives must include, but not be limited to, various 45-15 plans, four-quarter plans, quinmester plans, extended learning year plans, and flexible all-year plans, and four-day-week plans. A school district with an approved four-day week plan in the 2014-2015 school year may continue under a four-day week plan through the end of the 2019-2020 school year. Future approvals are contingent upon meeting the school district's performance goals established in the district's plan under section 120B.11. The commissioner must give a school district one school year's notice before revoking approval of their flexible learning year program.

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

Sec. 3. Minnesota Statutes 2014, section 124D.122, is amended to read:

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

The board of any district or a consortium of districts, with the approval of the commissioner, may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortia may use a single application and evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections. The commissioner must approve or disapprove of a flexible learning year application within 45 business days of receiving the application. If the commissioner disapproves the application, they must give the district or consortium detailed reasons for the disapproval.

Sec. 4. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, the general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, small schools revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.~~

~~(b) For fiscal year 2015 and later, The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, declining enrollment revenue, local optional revenue, small schools revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, pension adjustment revenue, and transition revenue.~~

Sec. 5. Minnesota Statutes 2014, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** ~~For fiscal year 2014, the basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. For fiscal year 2015 and later, The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The formula allowance for fiscal year 2015 and later is \$5,831. The formula allowance for fiscal year 2016 is \$5,918. The formula allowance for fiscal year 2017 and later is \$6,036.~~

Sec. 6. Minnesota Statutes 2014, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** ~~(a) A school district's extended time revenue for fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal cost pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended time revenue for fiscal year 2015 and later is equal to the product of \$5,017-\$5,117 and the sum of the adjusted pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.~~

~~(b) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, vacation break academies such as spring break academies and summer term academies, and other programming authorized under the learning year program.~~

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

Sec. 7. Minnesota Statutes 2014, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** ~~To obtain operating capital revenue for fiscal year 2015 and later, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals \$14,500 for fiscal years 2015 and 2016, \$14,740 for fiscal year 2017, \$17,473 for fiscal year 2018, and \$20,510 for fiscal year 2019 and later.~~

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

Sec. 8. Minnesota Statutes 2014, section 126C.13, subdivision 3a, is amended to read:

Subd. 3a. **Student achievement rate.** The commissioner must establish the student achievement rate by ~~July 1~~ September 30 of each year for levies payable in the following year. The student achievement rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The student achievement rate must be the rate that raises \$20,000,000 for fiscal year 2015 ~~and later years, 2016, and 2017~~ and \$10,000,000 for fiscal year 2018. The student achievement rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the rate has been established.

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

Sec. 9. Minnesota Statutes 2014, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** (a) ~~For fiscal years 2013 and 2014 only, a district's general education aid is the sum of the following amounts:~~

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

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

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

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

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

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

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

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

(b) For fiscal year 2015 and later, a district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue, minus the student achievement levy, multiplied times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy; plus

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

~~(2)~~ (3) equity aid under section 126C.10, subdivision 30; plus

~~(3)~~ (4) transition aid under section 126C.10, subdivision 33; plus

~~(4)~~ (5) shared time aid under section 126C.10, subdivision 7; plus

~~(5)~~ (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

~~(6)~~ (7) online learning aid under section 124D.096; plus

~~(7)~~ (8) local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

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

Sec. 10. Minnesota Statutes 2014, section 126C.15, subdivision 2, is amended to read:

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

(b) Notwithstanding paragraph (a), a district or cooperative may allocate up to ~~five~~ 50 percent of the amount of compensatory revenue that the district receives to school sites according to a plan adopted by the school board, ~~and a district or cooperative may allocate up to an additional five percent of its compensatory revenue for activities under subdivision 1, clause (10), according to a plan adopted by the school board.~~ The money reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but may be spent on students in any grade, including students attending school readiness or other prekindergarten programs.

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

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

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

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

Sec. 11. Minnesota Statutes 2014, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance equals the result of the following calculations:

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

(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;

(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015;

(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;

(5) add to the result in clause (4) any additional referendum allowance resulting from inflation adjustments approved by the voters prior to January 1, 2014;

(6) subtract from the result of clause (5), the sum of a district's actual local optional levy and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil units of the district for that school year; and

(7) if the result of clause (6) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance, plus any new referendum allowance authorized between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional referendum allowance per adjusted pupil unit authorized after December 31, 2013, minus any allowances expiring in fiscal year 2016 or later, provided that the allowance may not be less than zero. For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into components such that the same percentage of the district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a district with more than one allowance for fiscal year 2015 that expires in the same year, the reduction under paragraph (a), clause (6), to offset local optional revenue shall be made first from any allowances that do not have an inflation adjustment approved by the voters.

**EFFECTIVE DATE.** This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 12. Minnesota Statutes 2014, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal year 2015 and later, a district's referendum allowance must not exceed the annual inflationary increase as calculated under paragraph (b) times the greatest of:

(1) \$1,845;

(2) the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015;

(3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015; ~~minus \$424 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (a), minus \$212 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (b); or~~

(4) for a newly reorganized district created after July 1, 2013, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year 2016 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2015. For fiscal year 2016 and later, for purposes of paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2015.

**EFFECTIVE DATE.** This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 13. Minnesota Statutes 2014, section 126C.48, subdivision 8, is amended to read:

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

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

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision, except that payments under section 298.28, subdivision 7a, may reduce the debt service levy by more than 50 percent. In administering this paragraph, the commissioner shall first reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if 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 levy authorized by sections 123B.57 and 126C.40, subdivision 5, 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.

Sec. 14. **[136D.41] LISTED DISTRICTS MAY FORM INTERMEDIATE DISTRICT.**

Notwithstanding any other law to the contrary, two or more of the Independent School Districts Nos. 108, 110, 111, and 112 of Carver County, Independent School Districts Nos. 716, 717, 719, 720, and 721 of Scott County, and Independent School District No. 2905 of Le Sueur County, whether or not contiguous, may enter into agreements to accomplish jointly and cooperatively the acquisition, betterment, construction, maintenance, and operation of facilities for, and instruction in, special education, career and technical education, adult basic education, and alternative education. Each school district that becomes a party to such an agreement is a "participating school district" for purposes of sections 136D.41 to 136D.49. The agreement may provide for the exercise of these powers by a joint school board created as set forth in sections 136D.41 to 136D.49.

Sec. 15. **[136D.42] JOINT SCHOOL BOARD; MEMBERS; BYLAWS.**

Subdivision 1. **Board.** The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions.

Subd. 2. **Bylaws.** The board may adopt bylaws specifying the duties and powers of its officers and the meeting dates of the board, and containing such other provisions as may be usual and necessary for the efficient conduct of the business of the board.

Sec. 16. **[136D.43] STATUS OF JOINT SCHOOL BOARD.**

Subdivision 1. **Public agency.** The joint school board shall be a public agency of the participating school districts and may receive and disburse federal and state funds made available to it or to the participating school districts.

Subd. 2. **Liability.** No participating school district shall have individual liability for the debts and obligations of the board, nor shall any individual serving as a member of the board have such liability.

Subd. 3. **Tax exempt.** Any properties, real or personal, acquired, owned, leased, controlled, used, or occupied by the board for its purposes shall be exempt from taxation by the state or any of its political subdivisions.

Sec. 17. **[136D.44] JOINT BOARD HAS ALL POWERS OF MEMBER DISTRICTS.**

To effectuate the agreement, the joint school board shall have all the powers granted by law to any or all of the participating school districts.

Sec. 18. **[136D.45] AGREEMENT APPROVAL; NOTICE; PETITION; REFERENDUM.**

Subdivision 1. **Resolution.** The agreement shall, before it becomes effective, be approved by a resolution adopted by the school board of each school district named therein.

Subd. 2. **When effective.** Each resolution shall be published once in a newspaper published in the district, if there is one, or in a newspaper having general circulation in the district, and shall become effective 30 days after publication, unless within the 30-day period a petition for referendum on the resolution is filed with the school board, signed by qualified voters of the school district equal in number to five percent of the number of voters voting at the last annual school district election. In such case, the resolution shall not



become effective until approved by a majority of the voters voting thereon at a regular or special election. The agreement may provide conditions under which it shall become effective even though it may not be approved in all districts.

Sec. 19. **[136D.46] DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.**

The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with sections 123B.14, 123B.143, and 123B.147. The board shall be subject to section 123B.52, subdivisions 1, 2, 3, and 5.

Sec. 20. **[136D.47] TERM OF AGREEMENT.**

The agreement shall state the term of its duration and may provide for the method of termination and distribution of assets after payment of all liabilities of the joint school board.

Sec. 21. **[136D.48] NON-POSTSECONDARY PROGRAMS; LICENSED DIRECTION.**

The board may also provide any other educational programs or other services requested by a participating district. However, these programs and services may not be postsecondary programs or services. Academic offerings shall be provided only under the direction of properly licensed academic supervisory personnel.

Sec. 22. **[136D.49] OTHER MEMBERSHIP AND POWERS.**

In addition to the districts listed in sections 136D.21, 136D.41, 136D.71, and 136D.81, the agreement of an intermediate school district established under this chapter may provide for the membership of other school districts and cities, counties, and other governmental units as defined in section 471.59. In addition to the powers listed in sections 136D.25, 136D.73, and 136D.84, an intermediate school board may provide the services defined in section 123A.21, subdivisions 7 and 8.

Sec. 23. **COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.**

For the 2015-2016 school year only, for an intermediate district formed under Minnesota Statutes, section 136D.41, the department must calculate compensatory revenue based on the October 1, 2014, enrollment counts for the South Metro Educational Cooperative.

Sec. 24. **SCHOOL DISTRICT LEVY ADJUSTMENTS.**

Subdivision 1. **Tax rate adjustment.** The commissioner of education must adjust each school district tax rate established under Minnesota Statutes, chapters 120B to 127A, by multiplying the rate by the ratio of the statewide total tax capacity for assessment year 2014, as it existed prior to the passage of Regular Session 2015, House File No. 848, or a similarly styled bill passed in a special session to the statewide total tax capacity for assessment year 2014.

Subd. 2. **Equalizing factors.** The commissioner of education must adjust each school district equalizing factor established under Minnesota Statutes, chapters 120B to 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for assessment year 2014, as it existed prior to the passage of Regular Session 2015, House File No. 848, or a similarly styled bill passed in a special session, to the statewide total tax capacity for assessment year 2014.

Sec. 25. **APPROPRIATIONS.**

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

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

\$	<u>6,595,541,000</u>	.....	<u>2016</u>
\$	<u>6,723,884,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$622,908,000 for 2015 and \$5,972,634,000 for 2016.

The 2017 appropriation includes \$635,618,000 for 2016 and \$6,088,266,000 for 2017.

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

\$	<u>39,000</u>	.....	<u>2016</u>
\$	<u>42,000</u>	.....	<u>2017</u>

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

\$	<u>2,740,000</u>	.....	<u>2016</u>
\$	<u>2,932,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$278,000 for 2015 and \$2,462,000 for 2016.

The 2017 appropriation includes \$273,000 for 2016 and \$2,659,000 for 2017.

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

\$	<u>292,000</u>	.....	<u>2016</u>
\$	<u>165,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$22,000 for 2015 and \$270,000 for 2016.

The 2017 appropriation includes \$30,000 for 2016 and \$135,000 for 2017.

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

\$	<u>16,756,000</u>	.....	<u>2016</u>
\$	<u>17,309,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,575,000 for 2015 and \$15,181,000 for 2016.

The 2017 appropriation includes \$1,686,000 for 2016 and \$15,623,000 for 2017.

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

\$	<u>17,322,000</u>	.....	<u>2016</u>
\$	<u>17,228,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,816,000 for 2015 and \$15,506,000 for 2016.

The 2017 appropriation includes \$1,722,000 for 2016 and \$15,506,000 for 2017.

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

\$	<u>65,000</u>	.....	<u>2016</u>
\$	<u>65,000</u>	.....	<u>2017</u>

Subd. 9. **Compensatory revenue pilot project.** For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

\$	<u>2,325,000</u>	.....	<u>2016</u>
\$	<u>2,325,000</u>	.....	<u>2017</u>

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

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

Subd. 10. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$	<u>5,420,000</u>	.....	<u>2016</u>
\$	<u>4,405,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$574,000 for 2015 and \$4,846,000 for 2016.

The 2017 appropriation includes \$538,000 for 2016 and \$3,867,000 for 2017.

**Sec. 26. REPEALER.**

(a) Minnesota Statutes 2014, sections 126C.12, subdivision 6; and 126C.41, subdivision 1, are repealed.

(b) Minnesota Statutes 2014, section 126C.13, subdivisions 3a, 3b, and 3c, are repealed for taxes payable in 2018.

**ARTICLE 2**

**EDUCATION EXCELLENCE**

Section 1. Minnesota Statutes 2014, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** Information designated as directory information pursuant to the provisions of United States Code, title 20, section 1232g and Code of Federal Regulations, title 34, section

99.37 which are in effect on January 1, 2007 ~~3, 2012~~, is public data on individuals, to the extent required under federal law. When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate any or all data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

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

Sec. 2. Minnesota Statutes 2014, section 120B.022, subdivision 1a, is amended to read:

Subd. 1a. **Foreign language and culture; proficiency certificates.** (a) World languages teachers and other school staff should develop and implement world languages programs that acknowledge and reinforce the language proficiency and cultural awareness that non-English language speakers already possess, and encourage students' proficiency in multiple world languages. Programs under this section must encompass indigenous American Indian languages and cultures, among other world languages and cultures. The department shall consult with postsecondary institutions in developing related professional development opportunities for purposes of this section.

(b) Any Minnesota public, charter, or nonpublic school may award Minnesota World Language Proficiency Certificates ~~or Minnesota World Language Proficiency High Achievement Certificates~~, consistent with this subdivision.

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

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

Sec. 3. Minnesota Statutes 2014, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for the world's best workforce under sections 120B.11 and 124D.10, subdivision 8, paragraph (u), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize high school graduates students who demonstrate level 3 an advanced low level or an intermediate high level of functional native proficiency in listening, speaking, reading, and writing on either the Foreign Services Institute language assessments aligned with American Council on the Teaching of Foreign Languages' (ACTFL) proficiency tests guidelines or on equivalent valid and reliable assessments in one or more languages in addition to English. American Sign Language is a language other than English for purposes of this subdivision and a world language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

(1) students must satisfactorily complete all required English language arts credits; and

(2) students whose primary language is other than English must demonstrate mastery of Minnesota's English language proficiency standards.

(c) Consistent with this subdivision, a high school graduate student who demonstrates an intermediate high ACTFL level of functional native proficiency in one language in addition to English is eligible to receive the state bilingual gold seal. A high school graduate student who demonstrates an intermediate high ACTFL level of functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school student who demonstrates an advanced low ACTFL level of functional proficiency in one language in addition to English is eligible to receive the state bilingual platinum seal. A high school student who demonstrates an advanced-low ACTFL level of functional proficiency in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

(d) School districts and charter schools, ~~in consultation with regional centers of excellence under section 120B.115, must~~ may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English. Where valid and reliable assessments are unavailable, a school district or charter school may rely on a ~~licensed foreign language immersion teacher or a nonlicensed community expert under section 122A.25~~ evaluators trained in assessing under ACTFL proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language proficiency under this section. School districts and charter schools must maintain appropriate records to identify high school graduates students eligible to receive the state bilingual or multilingual seal gold and platinum seals. The school district or charter school must affix the appropriate seal to the transcript of each high school graduate student who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school graduate student a fee for this seal.

(e) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

(f) A school district or charter school may award community service credit to a student who demonstrates level 3 an intermediate high or advanced low ACTFL level of functional native proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) ~~The commissioner must develop a Web page for the electronic delivery of these seals. The commissioner must list on the Web page those assessments that are equivalent to the Foreign Services Institute language aligned to ACTFL proficiency tests guidelines.~~

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must award foreign language credits to a student who receives a state bilingual seal or a state multilingual seal under this subdivision and may establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate or a Minnesota World Language Proficiency High Achievement Certificate under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive

a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies beginning with students graduating in the 2014-2015 school year who demonstrate the requisite language proficiency in grade 10, 11, or 12.

Sec. 4. Minnesota Statutes 2014, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners. The plan must be consistent with section 122A.06, subdivision 4, and include the following:

(1) a process to assess students' level of reading proficiency; and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency;

(2) a process to notify and involve parents; ~~intervene with;~~

(3) a description of how schools in the district will determine the proper reading intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level; ~~and identify and meet~~ and progress monitoring to provide information on the effectiveness of the intervention; and

(5) identification of staff development needs, including a program to meet those needs.

(b) The district must post its literacy plan on the official school district Web site.

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

Sec. 5. Minnesota Statutes 2014, section 120B.13, subdivision 4, is amended to read:

Subd. 4. **Rigorous course taking information; AP, IB, and PSEO.** The commissioner shall submit the following information on rigorous course taking, disaggregated by student subgroup, school district, and postsecondary institution, to the education committees of the legislature each year by February 1:

(1) the number of pupils enrolled in postsecondary enrollment options under section 124D.09, including concurrent enrollment, career and technical education courses offered as a concurrent enrollment course, advanced placement, and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board, International Baccalaureate North America, Inc., or Minnesota concurrent enrollment programs;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate programs;

(5) expenditures for each category in this section and under sections 124D.09 and 124D.091, including career and technical education courses offered as a concurrent enrollment course; and

(6) other recommendations for the state program or the postsecondary enrollment options under section 124D.09, including concurrent enrollment.

Sec. 6. Minnesota Statutes 2014, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** The commissioner shall report test results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance, including student homelessness, as data are available, among other factors. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum. The commissioner shall disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under section 124D.10.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 7. Minnesota Statutes 2014, section 120B.31, subdivision 4, is amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, and statewide level. When collecting and reporting the performance data, the commissioner shall organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time, including student homelessness, as data are available, among other demographic factors. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 8. Minnesota Statutes 2014, section 120B.36, subdivision 1, is amended to read:

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 9. Minnesota Statutes 2014, section 122A.09, subdivision 4, is amended to read:

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

(b) ~~The board must adopt rules requiring a person~~ require all candidates for teacher licensure to pass demonstrate a passing score on a board-adopted skills examination in reading, writing, and mathematics or attain either a composite score composed of the average of the scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the scores in critical reading, mathematics, and writing on the SAT recommended by the board, as a requirement for initial teacher licensure, except that the board may issue up to two four ~~temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the board-adopted skills exam or attained the requisite composite score on the ACT Plus Writing or SAT. Such rules~~ The board must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the board-adopted skills examination or attain the requisite composite score on the ACT Plus Writing or SAT, including those for whom English is a second language. The requirement to pass a board-adopted reading, writing, and mathematics skills examination or attain the requisite composite score on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the



time of licensure The Board of Teaching and the entity administering the content, pedagogy, and skills examinations must allow any individual who produces documentation of a disability in the form of an evaluation, 504 plan, or individual education program (IEP) to receive the same testing accommodations on the content, pedagogy, and skills examinations that the applicant received during their secondary or post-secondary education.

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

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. Among other components, teacher preparation programs are encouraged to provide a school-year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students ongoing mentorship, coaching, and assessment, help to prepare a professional development plan, and structured learning experiences. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

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

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

(g) The board must grant licenses to interns and to candidates for initial licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. All teacher candidates must have preparation in English language development and content instruction for English learners in order to be able to effectively instruct the English learners in their classrooms. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture

dedicated to meeting students' diverse learning needs in the 21st century, recognizes the importance of cultural and linguistic competencies, including the ability to teach and communicate in culturally competent and aware ways, and formalizes mentoring and induction for newly licensed teachers provided through a teacher support framework.

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

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require licensed teachers who are renewing a continuing license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

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

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

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

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

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

(o) The board must adopt rules by January 1, 2016, to license applicants under sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their qualifications through the board's recognition of a teaching license from another state in a similar content field, completion of a state-approved teacher preparation program, teaching experience as the teacher of record in a similar licensure field, depth of content knowledge, depth of content methods or general pedagogy, subject-specific professional development and contribution to the field, or classroom performance as determined by documented student

growth on normed assessments or documented effectiveness on evaluations. The rules must adopt criteria for determining a "similar content field" and "similar licensure area."

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all candidates seeking initial teacher licensure, including those holding a temporary, one-year teaching license.

Sec. 10. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

**Subd. 4a. Teacher and administrator preparation and performance data; report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-adopted teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include: student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average board-adopted skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year; a standard measure of the satisfaction of school principals or supervising teachers with the student teachers assigned to a school or supervising teacher; and information under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include: summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time program graduates in the preceding year needed to complete the program; the current number and percent of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year; the number of credits by graduate program that students in the preceding school year needed to complete to graduate; survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year; and information under paragraphs (f) and (g). Program reporting must be consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the following information for all teachers who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the teacher on the summative evaluation under section 122A.40, subdivision

8, or 122A.41, subdivision 5; the licensure area in which the teacher primarily taught during the three-year evaluation cycle; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the following information for all probationary teachers in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year: the licensure areas in which the probationary teacher taught; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(f) School districts annually by October 1 must report to the Board of School Administrators the following information for all school principals and assistant principals who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the principal or assistant principal on the summative evaluation under section 123B.147, subdivision 3; and the principal preparation program providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School Administrators all probationary school principals and assistant principals in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 11. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

Subd. 11. **Teacher preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of Teaching shall report and publish on its Web site the cumulative summary results of at least three consecutive years of data reported to the board under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically reliable information and the results would not reveal personally identifiable information about an individual teacher, the board shall report the data by teacher preparation program.

Sec. 12. Minnesota Statutes 2014, section 122A.14, subdivision 3, is amended to read:

Subd. 3. **Rules for continuing education requirements.** The board shall adopt rules establishing continuing education requirements that promote continuous improvement and acquisition of new and relevant skills by school administrators. Continuing education programs, among other things, must provide school administrators with information and training about building coherent and effective English learner strategies that include relevant professional development, accountability for student progress, students' access to the general curriculum, and sufficient staff capacity to effect these strategies. ~~A retired school principal who serves as a substitute principal or assistant principal for the same person on a day-to-day basis for no more than 15 consecutive school days is not subject to continuing education requirements as a condition of serving as a substitute principal or assistant principal.~~

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

Sec. 13. Minnesota Statutes 2014, section 122A.14, is amended by adding a subdivision to read:

Subd. 10. **Principal preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of School Administrators shall report and publish on its Web site the cumulative summary results of three years of data reported to the board under section 122A.09, subdivision 4a, paragraph (c), for each principal preparation program.

Sec. 14. Minnesota Statutes 2014, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions, including those meeting the standards adopted under section 122A.09, subdivision 4, paragraph (o).

(b) ~~The board must require a person to pass an~~ candidate for teacher licensure to demonstrate a passing score on a board-adopted examination of skills in reading, writing, and mathematics ~~or attain either a composite score composed of the average of the scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the scores in critical reading, mathematics, and writing on the SAT recommended by the board,~~ before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to ~~two~~ four temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed ~~the a~~ board-adopted skills exam ~~or attained the requisite composite score on the ACT Plus Writing or SAT.~~ At the request of the employing school district or charter school, the Board of Teaching may issue a restricted license to an otherwise qualified teacher not passing or demonstrating a passing score on a board-adopted skills examination in reading, writing, and math. For purposes of this section, the restricted license issued by the board is limited to the current subject or content matter the teacher is employed to teach and limited to the district or charter school requesting the restricted license. If the board denies the request, it must provide a detailed response to the school administrator as to the reasons for the denial. The board must require colleges and universities offering a board approved teacher preparation program to make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on ~~the a~~ board-adopted skills examination ~~or attain the requisite composite ACT Plus Writing or SAT score,~~ including those for whom English is a second language. The colleges and universities must make available assistance in the specific academic areas of candidates' deficiency. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on ~~the a~~ board-adopted skills examination, ~~or attain the requisite composite ACT Plus Writing or SAT score,~~ and who received a temporary license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking ~~the a~~ board-adopted skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, ~~the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score,~~ and the candidates who have not attained the requisite composite ACT Plus Writing or SAT score ~~or have not passed a content or pedagogy exam,~~ disaggregated by categories of race, ethnicity, and eligibility for financial aid.

(c) The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes passing ~~the a~~ board-adopted skills examination in reading, writing, and mathematics ~~or attaining the requisite composite ACT Plus Writing or SAT score consistent with paragraph (b),~~ and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are consistent with this paragraph. The requirement to pass a board-adopted reading, writing, and mathematics skills examination, ~~or attain the requisite composite score on the ACT Plus Writing or SAT~~ does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction

under section 120B.022, subdivision 1. ~~A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the time of licensure.~~

(d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. Among other requirements, teacher candidates must demonstrate the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language, and achievement in content areas in a regular classroom setting. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

Sec. 15. Minnesota Statutes 2014, section 122A.18, is amended by adding a subdivision to read:

Subd. 4a. **Limited provisional licenses.** The board may grant two-year provisional licenses to a licensure candidate in a field in which they were not previously licensed or in a field in which a shortage of licensed teachers exists. A shortage is defined as an inadequate supply of licensed personnel in a given licensure area as determined by the commissioner.

Sec. 16. Minnesota Statutes 2014, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;
- (4) failure to meet licensure requirements; or
- (5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352, interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section

617.246, or possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the Court of Appeals or the Supreme Court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Board of Teaching is delegated the authority to suspend or revoke coaching licenses.

Sec. 17. Minnesota Statutes 2014, section 122A.21, subdivision 2, is amended to read:

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with ~~the~~ applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.

(e) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. The fees must be paid to the executive secretary of the Board of Teaching. The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all portfolios submitted to the Educator Licensing Division at the department after that date.

Sec. 18. Minnesota Statutes 2014, section 122A.23, is amended to read:

**122A.23 APPLICANTS TRAINED IN OTHER STATES.**

Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the Board of Teaching or the commissioner of education, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state. The diploma or degree must be granted by virtue of completing ~~a course~~ coursework in teacher preparation essentially equivalent in content to that required by such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution as preliminary to the granting of a diploma or a degree of the same rank and class. For purposes of granting a Minnesota teaching license to a person who receives a diploma or degree from a state-accredited, out-of-state teacher training program leading to licensure, the Board of Teaching must establish criteria and streamlined procedures by January 1, 2016, to recognize the experience and professional credentials of the person holding the out-of-state diploma or degree and allow that person to demonstrate to the board the person's qualifications for receiving a Minnesota teaching license based on performance measures the board adopts by January 1, 2016, under this section.

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs ~~(b) (c) to (e) (f)~~ to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held ~~a similar~~ an out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes either (1) field-specific teaching methods and, student teaching, or essentially equivalent experience, or (2) at least two years of teaching experience as the teacher of record in a similar licensure field.

~~(b)~~ The Board of Teaching may issue a standard license on the basis of teaching experience and examination requirements only.

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

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

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, and either (i) has completed field-specific teaching methods, student teaching, or equivalent experience, or (ii) has at least two years of teaching experience as the teacher of record in a similar licensure field.

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

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

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

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar



Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

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

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

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

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

~~(f)~~ (g) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision may issue a two-year limited provisional license to an applicant under this subdivision to teach in a shortage area, consistent with section 122A.18, subdivision 4a.

~~(g)~~ (h) The Board of Teaching must not may issue a license under this subdivision if the applicant has not attained the additional degrees, credentials, or licenses required in a particular licensure field and the applicant can demonstrate competency by obtaining qualifying scores on the board-adopted skills examination in reading, writing, and mathematics, and on applicable board-adopted rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraphs (a) and (e).

~~(h)~~ (i) The Board of Teaching must require an applicant for a teaching license or a temporary teaching license under this subdivision to pass a board-adopted skills examination in reading, writing, and mathematics or demonstrate, consistent with section 122A.09, subdivision 4, the applicant's attainment of either the requisite composite ACT Plus Writing or SAT score before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.

**Subd. 3. Teacher licensure agreements with adjoining states.** (a) Notwithstanding any other law to the contrary, the Board of Teaching must enter into a National Association of State Directors of Teacher Education and Certification (NASDTEC) interstate agreement and other interstate agreements for teacher licensure to allow fully certified teachers from adjoining states to transfer their certification to Minnesota. The board must enter into these interstate agreements only after determining that the rigor of the teacher licensure or certification requirements in the adjoining state is commensurate with the rigor of Minnesota's teacher licensure requirements. The board may limit an interstate agreement to particular content fields or grade levels based on established priorities or identified shortages. This subdivision does not apply to out-of-state applicants holding only a provisional teaching license.

(b) The Board of Teaching must work with designated authorities in adjoining states to establish interstate teacher licensure agreements under this section.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 19. Minnesota Statutes 2014, section 122A.245, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term license, which the board may renew one time for an additional one-year term, and to prepare for acquiring a standard license. The following entities are eligible to participate under this section:

(1) a school district ~~or~~, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose that forms a partnership with a college or university that has a board-approved alternative teacher preparation program; or

(2) a school district or charter school, after consulting with a college or university with a board-approved teacher preparation program, that forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.

(b) ~~Before participating in this program~~ becoming a teacher of record, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria adopted by January 1, 2016;

(2) ~~pass the~~ demonstrate a passing score on a board-adopted reading, writing, and mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year limited-term license to a person who enrolls in an alternative teacher preparation program.

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

Sec. 20. Minnesota Statutes 2014, section 122A.245, subdivision 3, is amended to read:

Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section.

(b) The board must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means. "Nontraditional means" must include a portfolio of previous experiences, teaching experience, educator evaluations, certifications marking the completion of education training programs, and essentially equivalent demonstrations.

(c) The board must use nontraditional criteria to determine the qualifications of program instructors.

(d) The board may permit instructors to hold a baccalaureate degree only.

~~(b)~~ (e) If the Board of Teaching determines that a teacher preparation program under this section does not meet the requirements of this section, it may revoke its approval of the program after it notifies the program provider of any deficiencies and gives the program provider an opportunity to remedy the deficiencies.

Sec. 21. Minnesota Statutes 2014, section 122A.245, subdivision 7, is amended to read:

Subd. 7. **Standard license.** The Board of Teaching must issue a standard license to an otherwise qualified teacher candidate under this section who successfully performs throughout a program under this section, ~~successfully completes all required~~ obtains qualifying scores on applicable board-adopted rigorous skills, pedagogy, and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to the board qualifications for licensure under subdivision 6.

Sec. 22. Minnesota Statutes 2014, section 122A.30, is amended to read:

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

(a) Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program not more than 61 hours per fiscal year is exempt from a license requirement. Nothing in this section shall exclude licensed career and technical educators from the definition of "teacher" in section 122A.40, 122A.41, or 179A.03.

(b) This section expires June 30, 2020.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all technical education instructors hired after that date.

Sec. 23. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 5;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

Sec. 24. Minnesota Statutes 2014, section 122A.40, subdivision 13, is amended to read:

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

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

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

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

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or, as defined in section 609.185; sex trafficking in the first degree under section 609.322, subdivision 1; sex trafficking in the second degree under section 609.322, subdivision 1a; engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3; solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352; interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor; using minors in a sexual performance under section

617.246; possessing pornographic works involving a minor under section 617.247; or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 25. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in

the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place or approve the placement of a student in the classroom of a teacher who is in the improvement process referenced in paragraph (b), clause (12), or has not had a summative evaluation if, in the prior year, that student was in the classroom of a teacher who received discipline pursuant to paragraph (b), clause (13), unless no other teacher at the school teaches that subject area and grade.

All data created and used under this paragraph retains its classification under chapter 13.

Sec. 26. Minnesota Statutes 2014, section 122A.41, subdivision 6, is amended to read:

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

- (1) immoral character, conduct unbecoming a teacher, or insubordination;
- (2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) inefficiency in teaching or in the management of a school, consistent with subdivision 5, paragraph (b);
- (4) affliction with a communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) discontinuance of position or lack of pupils.

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

(b) A probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or, as defined in section 609.185; sex trafficking in the first degree under section 609.322, subdivision 1; sex trafficking in the second degree under section 609.322, subdivision 1a; engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3; solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352; interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor; using minors in a sexual performance under section 617.246; possessing pornographic works involving a minor under section 617.247; or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must



provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 27. Minnesota Statutes 2014, section 122A.413, subdivision 1, is amended to read:

Subdivision 1. **Qualifying plan.** A district ~~or~~, 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.

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

Sec. 28. Minnesota Statutes 2014, section 122A.413, subdivision 2, is amended to read:

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.

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

Sec. 29. Minnesota Statutes 2014, section 122A.414, subdivision 1, is amended to read:

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

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

Sec. 30. Minnesota Statutes 2014, section 122A.414, subdivision 1a, is amended to read:

Subd. 1a. **Transitional planning year.** (a) To be eligible to participate in an alternative teacher professional pay system, a school district, intermediate school district, or site, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; and

(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;

(2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and

(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.

(c) To be eligible to participate in an alternative teacher professional pay system, a cooperative, excluding intermediate school districts at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the governing board of the cooperative; and

(2) submit the record of a formal vote by the teachers employed by the cooperative indicating at least 70 percent of all teachers agree to implement the alternative pay system.

(e) (d) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, cooperative, site or charter school is ready to fully implement an alternative pay system.

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

Sec. 31. Minnesota Statutes 2014, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

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

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or 122A.41, subdivision 5, clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, clause (10), or 122A.41, subdivision 5, clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

(c) The alternative teacher professional pay system may:

(1) include a hiring bonus or other added compensation for teachers who are identified as effective or highly effective under the local teacher professional review cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with a majority of students whose families meet federal poverty

guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students; and

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

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to agreements approved or renegotiated after that date.

Sec. 32. Minnesota Statutes 2014, section 122A.414, subdivision 2a, is amended to read:

Subd. 2a. **Charter school applications; cooperative applications.** (a) For charter school applications, the board of directors of a charter school that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

- (1) an agreement to implement an alternative teacher professional pay system under this section;
- (2) a resolution by the charter school board of directors adopting the agreement; and

(3) the record of a formal vote by the teachers employed at the charter school indicating that at least 70 percent of all teachers agree to implement the alternative teacher professional pay system, unless the charter school submits an alternative teacher professional pay system agreement under this section before the first year of operation.

~~Alternative compensation revenue for a qualifying charter school must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).~~

(b) For cooperative unit applications, excluding intermediate school districts, the governing board of a cooperative unit that satisfies the conditions under subdivisions 2 and 2b must submit to the commissioner an application that contains:

- (1) an agreement to implement an alternative teacher professional pay system under this section;
- (2) a resolution by the governing board adopting the agreement; and

(3) the record of a formal vote by the teachers employed at the cooperative unit indicating that at least 70 percent of all teachers agree to implement the alternative teacher professional pay system.

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

Sec. 33. Minnesota Statutes 2014, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, cooperatives, school sites, and charter schools a standard form for applying to participate in the alternative teacher professional pay system. The commissioner annually must establish three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, cooperative, school site, or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district, intermediate school

district, or school site, or executed by the charter school board of directors if the applicant is a charter school or executed by the governing board if the applicant is a cooperative unit. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must review a completed application within 30 days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

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

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

Sec. 34. Minnesota Statutes 2014, section 122A.414, subdivision 3, is amended to read:

Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school districts, cooperatives, school sites, and charter schools must report on the implementation and effectiveness of the alternative teacher professional pay system, particularly addressing each requirement under subdivision 2 and make annual recommendations by June 15 to their school boards. The school board or, board of directors, or governing board shall transmit a copy of the report with a summary of the findings and recommendations of the district, intermediate school district, cooperative, school site, or charter school to the commissioner in the form and manner determined by the commissioner.

(b) If the commissioner determines that a school district, intermediate school district, cooperative, school site, or charter school that receives alternative teacher compensation revenue is not complying with the requirements of this section, the commissioner may withhold funding from that participant. Before making the determination, the commissioner must notify the participant of any deficiencies and provide the participant an opportunity to comply.

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

Sec. 35. Minnesota Statutes 2014, section 122A.415, is amended to read:

#### **122A.415 ALTERNATIVE COMPENSATION REVENUE.**

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, cooperative unit as defined in section 123A.24, subdivision 2, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

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

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

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

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district or cooperative must be calculated under subdivision 4, paragraph (a) (b).

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

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

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, cooperatives, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, cooperative, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. ~~For fiscal year 2007 and later,~~ A qualifying district, intermediate school district, cooperative, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, cooperative, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, cooperative, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school or cooperative, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, cooperatives, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

~~(c) For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of \$3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.~~

Subd. 4. **Basic alternative teacher compensation aid.** (a) ~~For fiscal year 2015 and later,~~ The basic alternative teacher compensation aid for a school with a plan approved under section 122A.414, subdivision

2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1. The basic alternative teacher compensation aid for ~~an intermediate school district or a~~ charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, ~~if the recipient is a charter school,~~ equals \$260 times the number of pupils enrolled in the school on October 1 of the previous year, or on October 1 of the current year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed ~~\$75,636,000~~ \$88,118,000 for fiscal year ~~2015~~ 2017 and later. The commissioner must limit the amount of alternative teacher compensation aid approved under this section so as not to exceed these limits. Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals \$3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Subd. 5. **Alternative teacher compensation levy.** ~~For fiscal year 2015 and later,~~ The alternative teacher compensation levy for a district receiving basic alternative teacher compensation aid equals the product of (1) the difference between the district's alternative teacher compensation revenue and the district's basic alternative teacher compensation aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per adjusted pupil unit to \$6,100.

Subd. 6. **Alternative teacher compensation equalization aid.** (a) ~~For fiscal year 2015 and later,~~ A district's alternative teacher compensation equalization aid equals the district's alternative teacher compensation revenue minus the district's basic alternative teacher compensation aid minus the district's alternative teacher compensation levy. If a district does not levy the entire amount permitted, the alternative teacher compensation equalization aid must be reduced in proportion to the actual amount levied.

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

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

Sec. 36. Minnesota Statutes 2014, section 122A.60, is amended to read:

**122A.60 STAFF DEVELOPMENT PROGRAM.**

Subdivision 1. **Staff development committee.** (a) A school board must use the revenue authorized in section 122A.61 for ~~in-service education for programs under section 120B.22, subdivision 2, or for staff development;~~

(1) teacher development and evaluation plans under this section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) in-service education programs under section 120B.22, subdivision 2; and

(4) other staff development needs.

(b) The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate

staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

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

- (1) focus on the school classroom and research-based strategies that improve student learning;
- (2) provide opportunities for teachers to practice and improve their instructional skills over time;
- (3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;
- (4) enhance teacher content knowledge and instructional skills, including to accommodate the delivery of digital and blended learning and curriculum and engage students with technology;
- (5) align with state and local academic standards;
- (6) provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring;
- (7) align with the plan of the district or site for an alternative teacher professional pay system;
- (8) provide teachers of English learners, including English as a second language and content teachers, with differentiated instructional strategies critical for ensuring students' long-term academic success; the means to effectively use assessment data on the academic literacy, oral academic language, and English language development of English learners; and skills to support native and English language development across the curriculum; and
- (9) provide opportunities for staff to learn about current workforce trends, the connections between workforce trends and postsecondary education, and training options, including career and technical education options.

Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

Subd. 2. **Contents of plan.** The plan must include the staff development outcomes under section 122A.40, subdivision 8, or 122A.41, subdivision 5, and section 123B.147, subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education and staff development outcomes, consistent with relicensure requirements under section 122A.18, subdivision 4. The plan also must:

- (1) support stable and productive professional communities achieved through ongoing and schoolwide progress and growth in teaching practice;



(2) emphasize coaching, professional learning communities, classroom action research, and other job-embedded models;

(3) maintain a strong subject matter focus premised on students' learning goals, consistent with section 120B.125;

(4) ensure specialized preparation and learning about issues related to teaching English learners and students with special needs by focusing on long-term systemic efforts to improve educational services and opportunities and raise student achievement; and

(5) reinforce national and state standards of effective teaching practice.

Subd. 3. **Staff development outcomes.** The advisory staff development committee must adopt a staff development plan, consistent with section 122A.40, subdivision 8, or 122A.41, subdivision 5, for developing and evaluating teachers and for improving student ~~achievement~~ outcomes and with section 123B.147, subdivision 3, for strengthening principals' capacity in areas of instruction, supervision, evaluation, and teacher development. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in ~~achievement of~~ achieving the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum, including areas of regular academic and applied and experiential learning, by using research-based best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, English learners, and gifted children, within the regular classroom, applied and experiential learning settings, and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, linguistically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff collaboration and develop mentoring and peer coaching programs for teachers new to the school or district;

(5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution;

(6) effectively deliver digital and blended learning and curriculum and engage students with technology; and

(7) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

Subd. 4. **Staff development report.** (a) By October 15 of each year, the district and site staff development committees shall write and submit a report of staff development activities and expenditures for the previous year, in the form and manner determined by the commissioner. The report, signed by the district superintendent and staff development chair, must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities under subdivision 3.

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

(2) staff development training models, workshops, and conferences, and the cost of releasing teachers or providing substitute teachers for staff development purposes.

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

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

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

Sec. 37. Minnesota Statutes 2014, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for:

(1) teacher development and evaluation under sections 122A.40, subdivision 8, or 122A.41, subdivision 5;

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) professional development under section 122A.60; and

(4) in-service education for programs under section 120B.22, subdivision 2;

To the extent extra funds remain, staff development revenue may be used for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' mentoring under section 122A.70 and evaluation, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes, preservice and in-service education for special education professionals and para-professionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

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

Sec. 38. Minnesota Statutes 2014, section 122A.69, is amended to read:

**122A.69 PRACTICE OR STUDENT TEACHERS.**

The Board of Teaching may, by agreements with teacher preparing preparation institutions, arrange for classroom experience in the district for practice or student teachers who have completed not less than at least two years of an approved teacher education preparation program. Such practice and student teachers

must be ~~provided with appropriate supervision~~ appropriately supervised by a fully qualified teacher under rules ~~promulgated~~ adopted by the board. A practice or student teacher must be placed with a cooperating licensed teacher who has at least three years of teaching experience and is not in the improvement process under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12). Practice and student teachers are ~~deemed~~ employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district employees ~~in accordance with~~ under section 123B.23; and legal counsel ~~in accordance with the provisions of~~ under section 123B.25.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 39. Minnesota Statutes 2014, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the course (1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment or (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 40. Minnesota Statutes 2014, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent,

rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 41. Minnesota Statutes 2014, section 124D.09, subdivision 8, is amended to read:

Subd. 8. **Limit on participation.** A pupil who first enrolls in grade 9 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of four academic years. A pupil who first enrolls in grade 10 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of three academic years. A pupil who first enrolls in grade 11 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. If a pupil is in a learning year or other year-round program and begins each grade in the summer session, summer sessions shall not be counted against the time of participation. If a school district determines a pupil is not on track to graduate, the limit on participation does not apply to that pupil. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

Sec. 42. Minnesota Statutes 2014, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil shall not be displaced by another student.

~~(b)~~ (d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

Sec. 43. Minnesota Statutes 2014, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits.** A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10. Consistent with section 135A.101, subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 44. **[124D.231] FULL-SERVICE COMMUNITY SCHOOLS.**

Subdivision 1. **Definitions.** For the purposes of this section, the following terms have the meanings given them.

(a) "Community organization" means a nonprofit organization that has been in existence for three years or more and serves persons within the community surrounding the covered school site on education and other issues.

(b) "Community school consortium" means a group of schools and community organizations that propose to work together to plan and implement community school programming.

(c) "Community school programming" means services, activities, and opportunities described under subdivision 2, paragraph (g).

(d) "High-quality child care or early childhood education programming" means educational programming for preschool-aged children that is grounded in research, consistent with best practices in the field, and provided by licensed teachers.

(e) "School site" means a school site at which an applicant has proposed or has been funded to provide community school programming.

(f) "Site coordinator" is an individual who is responsible for aligning programming with the needs of the school community identified in the baseline analysis.

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

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

(2) the school is in a district that has an achievement and integration plan approved 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; and

(iii) analysis of enrollment and retention rates for students with disabilities, English learners, homeless and highly mobile students, and students receiving free or reduced-price lunch;

(iv) analysis of suspension and expulsion data, including the justification for such disciplinary actions and the degree to which particular populations, including, but not limited to, students of color, students with disabilities, students who are English learners, and students receiving free or reduced-price lunch are represented among students subject to such actions;

(v) analysis of school achievement data disaggregated by major demographic categories, including, but not limited to, race, ethnicity, English learner status, disability status, and free or reduced-price lunch status;

(vi) analysis of current parent engagement strategies and their success; and

(vii) evaluation of the need for and availability of wraparound services, including, but not limited to:

(A) mechanisms for meeting students' social, emotional, and physical health needs, which may include coordination of existing services as well as the development of new services based on student needs; and

(B) strategies to create a safe and secure school environment and improve school climate and discipline, such as implementing a system of positive behavioral supports, and taking additional steps to eliminate bullying;

(2) a baseline analysis of community assets and a strategic plan for utilizing and aligning identified assets. This analysis should include, but is not limited to, a documentation of individuals in the

community, faith-based organizations, community and neighborhood associations, colleges, hospitals, libraries, businesses, and social service agencies who may be able to provide support and resources; and

(3) a baseline analysis of needs in the community surrounding the school, led by the school leadership team, including, but not limited to:

(i) the need for high-quality, full-day child care and early childhood education programs;

(ii) the need for physical and mental health care services for children and adults; and

(iii) the need for job training and other adult education programming.

(g) Each school site receiving funding under this section must establish at least two of the following types of programming:

(1) early childhood:

(i) early childhood education; and

(ii) child care services;

(2) academic:

(i) academic support and enrichment activities, including expanded learning time;

(ii) summer or after-school enrichment and learning experiences;

(iii) job training, internship opportunities, and career counseling services;

(iv) programs that provide assistance to students who have been truant, suspended, or expelled; and

(v) specialized instructional support services;

(3) parental involvement:

(i) programs that promote parental involvement and family literacy, including the Reading First and Early Reading First programs authorized under part B of title I of the Elementary and Secondary Education Act of 1965, United States Code, title 20, section 6361, et seq.;

(ii) parent leadership development activities; and

(iii) parenting education activities;

(4) mental and physical health:

(i) mentoring and other youth development programs, including peer mentoring and conflict mediation;

(ii) juvenile crime prevention and rehabilitation programs;

(iii) home visitation services by teachers and other professionals;

(iv) developmentally appropriate physical education;

(v) nutrition services;



(vi) primary health and dental care; and

(vii) mental health counseling services;

(5) community involvement:

(i) service and service-learning opportunities;

(ii) adult education, including instruction in English as a second language; and

(iii) homeless prevention services;

(6) positive discipline practices; and

(7) other programming designed to meet school and community needs identified in the baseline analysis and reflected in the full-service community school plan.

(h) The school leadership team at each school site must develop a full-service community school plan detailing the steps the school leadership team will take, including:

(1) timely establishment and consistent operation of the school leadership team;

(2) maintenance of attendance records in all programming components;

(3) maintenance of measurable data showing annual participation and the impact of programming on the participating children and adults;

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

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

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

(7) plan for school leadership team development.

**Subd. 3. Full-service community school review.** (a) Every three years, a full-service community school site must submit to the commissioner, and make available at the school site and online, a report describing efforts to integrate community school programming at each covered school site and the effect of the transition to a full-service community school on participating children and adults. This report shall include, but is not limited to, the following:

(1) an assessment of the effectiveness of the school site in development or implementing the community school plan;

(2) problems encountered in the design and execution of the community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(3) the operation of the school leadership team and its contribution to successful execution of the community school plan;

(4) recommendations for improving delivery of community school programming to students and families;

(5) the number and percentage of students receiving community school programming who had not previously been served;

(6) the number and percentage of nonstudent community members receiving community school programming who had not previously been served;

(7) improvement in retention among students who receive community school programming;

(8) improvement in academic achievement among students who receive community school programming;

(9) changes in student's readiness to enter school, active involvement in learning and in their community, physical, social and emotional health, and student's relationship with the school and community environment;

(10) an accounting of anticipated local budget savings, if any, resulting from the implementation of the program;

(11) improvements to the frequency or depth of families' involvement with their children's education;

(12) assessment of community stakeholder satisfaction;

(13) assessment of institutional partner satisfaction;

(14) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(15) increases in access to services for students and their families; and

(16) the degree of increased collaboration among participating agencies and private partners.

(b) Reports submitted under this section shall be evaluated by the commissioner with respect to the following criteria:

(1) the effectiveness of the school or the community school consortium in implementing the full-service community school plan, including the degree to which the school site navigated difficulties encountered in the design and operation of the full-service community school plan, including identification of any federal, state, or local statute or regulation impeding program implementation;

(2) the extent to which the project has produced lessons about ways to improve delivery of community school programming to students;

(3) the degree to which there has been an increase in the number or percentage of students and non-students receiving community school programming;

(4) the degree to which there has been an improvement in retention of students and improvement in academic achievement among students receiving community school programming;

(5) local budget savings, if any, resulting from the implementation of the program;

(6) the degree of community stakeholder and institutional partner engagement;

(7) the ability, or anticipated ability, of the school site and partners to continue to provide services in the absence of future funding under this section;

(8) increases in access to services for students and their families; and

(9) the degree of increased collaboration among participating agencies and private partners.

Sec. 45. Minnesota Statutes 2014, section 124D.73, subdivision 3, is amended to read:

Subd. 3. **Advisory task force Tribal Nations Education Committee.** ~~"Advisory task force"~~ "Tribal Nations Education Committee" means the ~~state advisory task force committee~~ established through tribal directive that the commissioner consults with on American Indian education programs, policy, and all matters related to educating Minnesota's American Indian students.

Sec. 46. Minnesota Statutes 2014, section 124D.73, subdivision 4, is amended to read:

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

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

(2) is eligible for a grant under federal Title IV of the Indian VII of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 47. Minnesota Statutes 2014, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. **Program described.** American Indian education programs are programs in public elementary and secondary schools, nonsectarian nonpublic, community, tribal, charter, or alternative schools enrolling American Indian children designed to:

(1) support postsecondary preparation for pupils;

(2) support the academic achievement of American Indian students ~~with identified focus to improve reading and mathematic skills;~~

(3) make the curriculum ~~more~~ relevant to the needs, interests, and cultural heritage of American Indian pupils;

(4) provide positive reinforcement of the self-image of American Indian pupils;

(5) develop intercultural awareness among pupils, parents, and staff; and

(6) supplement, not supplant, state and federal educational and cocurricular programs.

~~Program components may include: development of support components for students in the areas of services designed to increase completion and graduation rates of American Indian students must emphasize academic achievement, retention, and attendance; development of support components services for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including experimentation with innovative teaching approaches and evaluation of methods of relating to American Indian pupils; provision of personal and vocational career counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and supplemental instruction in American Indian language, literature, history, and~~

culture. Districts offering programs may make contracts for the provision of program ~~components~~ services by establishing cooperative liaisons with tribal programs and American Indian social service agencies. These programs may also be provided as components of early childhood and family education programs.

Sec. 48. Minnesota Statutes 2014, section 124D.74, subdivision 6, is amended to read:

Subd. 6. **Nonverbal courses and extracurricular activities.** In predominantly nonverbal subjects, such as art, music, and physical education, American Indian children shall participate fully and on an equal basis with their ~~contemporaries~~ peers in school classes provided for these subjects. Every school district or participating school shall ensure to children enrolled in American Indian education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the American Indian children, or which are otherwise necessary to accomplish the objectives described in sections 124D.71 to 124D.82.

Sec. 49. Minnesota Statutes 2014, section 124D.75, subdivision 1, is amended to read:

Subdivision 1. **American Indian language and culture education licenses.** The Board of Teaching, in consultation with the Tribal Nations Education Committee, must grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board must grant licenses to persons who present satisfactory evidence that they:

(1) possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(2) possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, tribal resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district, participating school, or an American Indian school.

Sec. 50. Minnesota Statutes 2014, section 124D.75, subdivision 3, is amended to read:

Subd. 3. **Resolution or letter.** All persons applying for a license under this section must submit to the board a resolution or letter of support signed by an American Indian tribal government ~~or its designee~~. All persons holding a license under this section ~~on July 1, 1995,~~ must have on file or file with the board a resolution or letter of support signed by a tribal government ~~or its designee by January 1, 1996,~~ or the next ~~renewal date of the license thereafter.~~

Sec. 51. Minnesota Statutes 2014, section 124D.75, subdivision 9, is amended to read:

Subd. 9. **Affirmative efforts in hiring.** In hiring for all positions in these programs, school districts and participating schools shall give preference to and make affirmative efforts to seek, recruit, and employ persons who share the culture of the American Indian children who are enrolled in the program. The district or participating school ~~shall~~ must provide procedures for the involvement of the parent advisory committees in ~~designing the procedures for the recruitment, screening and selection of applicants.~~ This subdivision shall not be construed to limit the school board's authority to hire and discharge personnel.

Sec. 52. Minnesota Statutes 2014, section 124D.76, is amended to read:

**124D.76 TEACHERS-AIDES; COMMUNITY COORDINATORS, INDIAN HOME/SCHOOL LIAISONS, PARAPROFESSIONALS.**

In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 124D.71 to 124D.82 may employ ~~teachers'-aides~~ paraprofessionals. ~~Teachers'-aides~~ Paraprofessionals must not be employed for the purpose of supplanting American Indian language and culture education teachers.

Any district or participating school which conducts American Indian education programs pursuant to sections 124D.71 to 124D.82 must employ one or more full-time or part-time community coordinators or Indian home/school liaisons if there are 100 or more American Indian students enrolled in the ~~program~~ district. Community coordinators shall promote communication understanding, and cooperation between the schools and the community and shall visit the homes of children who are to be enrolled in an American Indian education program in order to convey information about the program.

Sec. 53. Minnesota Statutes 2014, section 124D.78, is amended to read:

**124D.78 PARENT AND COMMUNITY PARTICIPATION.**

Subdivision 1. **Parent committee.** School boards and American Indian schools must provide for the maximum involvement of parents of children enrolled in education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the board of a school district in which there are ten or more American Indian ~~children~~ students enrolled and each American Indian school must establish a an American Indian education parent advisory committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee may serve as the committee required by this section and is subject to, at least, the requirements of this subdivision and subdivision 2.

The American Indian education parent advisory committee must develop its recommendations in consultation with the curriculum advisory committee required by section 120B.11, subdivision 3. This committee must afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. ~~The committee must also address the need for adult education programs for American Indian people in the community.~~ The school board or American Indian school must ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of ~~children~~ students served by the programs.

Subd. 2. **Resolution of concurrence.** Prior to ~~December~~ March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian ~~children~~ students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Subd. 3. **Membership.** The American Indian education parent advisory committee must be composed of parents of children eligible to be enrolled in American Indian education programs; secondary students

eligible to be served; American Indian language and culture education teachers and ~~aides~~ paraprofessionals; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups. A majority of each committee must be parents of children enrolled or eligible to be enrolled in the programs. The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the programs.

Subd. 4. **Alternate committee.** If the organizational membership or the board of directors of an American Indian school consists of parents of children attending the school, that membership or board may serve also as the American Indian education parent advisory committee.

Sec. 54. Minnesota Statutes 2014, section 124D.79, subdivision 1, is amended to read:

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

Sec. 55. Minnesota Statutes 2014, section 124D.79, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The commissioner shall provide technical assistance to districts, schools and postsecondary institutions for preservice and in-service training for teachers, American Indian education teachers and ~~teacher's aides~~, paraprofessionals specifically designed to implement culturally responsive teaching methods, culturally based curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 56. Minnesota Statutes 2014, section 124D.791, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** The Indian education director shall:

(1) serve as the liaison for the department with the Tribal Nations Education Committee, the 11 ~~reservations~~ tribal communities in Minnesota, the Minnesota Chippewa tribe, and the Minnesota Indian Affairs Council; ~~and the Urban Advisory Council~~;

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

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

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

(i) issues facing American Indian students;

(ii) policies for American Indian education;

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

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

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

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

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

(ii) increase the number of American Indian teachers in public schools;

(iii) close the achievement gap between American Indian students and their more advantaged peers;

(iv) increase the statewide graduation rate for American Indian students; and

(v) increase American Indian student placement in postsecondary programs and the workforce; and

(7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

Sec. 57. Minnesota Statutes 2014, section 124D.81, is amended to read:

**124D.81 CONTINUATION OF AMERICAN INDIAN EDUCATION GRANTS-AID.**

Subdivision 1. **Grants; Procedures.** ~~Each fiscal year the commissioner of education must make grants to no fewer than six American Indian education programs. At least three programs must be in urban areas and at least three must be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian education programs. Proposals~~ A school district, charter school, or American Indian-controlled tribal contract or grant school enrolling at least 20 American Indian students on October 1 of the previous school year, receiving federal Title 7 funding, and operating an American Indian education program according to section 124D.74 is eligible for Indian education aid if it meets the requirements of this section. Programs may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal, charter, or alternative schools. The commissioner shall prescribe the form and manner of application for grants-aids, and no grant aid shall be made for a proposal program not complying with the requirements of sections 124D.71 to 124D.82.

Subd. 2. **Plans.** ~~Each~~ To qualify for aid, an eligible district, charter school, or participating tribal contract school submitting a proposal under subdivision 1 must develop and submit with the proposal a plan for approval by the Indian education director which that shall:

(a) Identify the measures to be used to meet the requirements of sections 124D.71 to 124D.82;

(b) Identify the activities, methods and programs to meet the identified educational needs of the children to be enrolled in the program;

(c) Describe how district goals and objectives as well as the objectives of sections 124D.71 to 124D.82 are to be achieved;

(d) Demonstrate that required and elective courses as structured do not have a discriminatory effect within the meaning of section 124D.74, subdivision 5;

(e) Describe how each school program will be organized, staffed, coordinated, and monitored; and

(f) Project expenditures for programs under sections 124D.71 to 124D.82.

**Subd. 2a. American Indian education aid.** (a) The American Indian education aid for an eligible district or tribal contract school equals the greater of (1) the sum of \$20,000 plus the product of \$63 times the difference between the number of American Indian students enrolled on October 1 of the previous school year and 20; or (2) if the district or school received a grant under this section for fiscal year 2015, the amount of the grant for fiscal year 2015.

(b) Notwithstanding paragraph (a), the American Indian education aid must not exceed the district or tribal contract school's actual expenditure according to the approved plan under subdivision 2.

**Subd. 3. Additional requirements.** Each district receiving a grant aid under this section must each year conduct a count of American Indian children in the schools of the district; test for achievement; identify the extent of other educational needs of the children to be enrolled in the American Indian education program; and classify the American Indian children by grade, level of educational attainment, age and achievement. Participating schools must maintain records concerning the needs and achievements of American Indian children served.

**Subd. 4. Nondiscrimination; testing.** In accordance with recognized professional standards, all testing and evaluation materials and procedures utilized for the identification, testing, assessment, and classification of American Indian children must be selected and administered so as not to be racially or culturally discriminatory and must be valid for the purpose of identifying, testing, assessing, and classifying American Indian children.

**Subd. 5. Records.** Participating schools and districts must keep records and afford access to them as the commissioner finds necessary to ensure that American Indian education programs are implemented in conformity with sections 124D.71 to 124D.82. Each school district or participating school must keep accurate, detailed, and separate revenue and expenditure accounts for pilot American Indian education programs funded under this section.

**Subd. 6. Money from other sources.** A district or participating school providing American Indian education programs shall be eligible to receive moneys for these programs from other government agencies and from private sources when the moneys are available.

**Subd. 7. Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as prohibiting a district or school from implementing an American Indian education program which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for that program is not funded pursuant to this section.

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



Sec. 58. Minnesota Statutes 2014, section 124D.98, is amended to read:

**124D.98 LITERACY INCENTIVE AID.**

Subdivision 1. **Literacy incentive aid.** ~~In fiscal year 2013 and later,~~ A district's literacy incentive aid equals the sum of the proficiency aid under subdivision 2, and the growth aid under subdivision 3.

Subd. 2. **Proficiency aid.** ~~In fiscal year 2013 and later,~~ The proficiency aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

Subd. 3. **Growth aid.** ~~In fiscal year 2013 and later,~~ The growth aid for each school in a district that has submitted to the commissioner its local literacy plan under section 120B.12, subdivision 4a, is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school making medium or high growth, under section 120B.299, on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times \$530.

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

Sec. 59. Minnesota Statutes 2014, section 126C.15, subdivision 1, is amended to read:

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

- (1) direct instructional services under the assurance of mastery program according to section 124D.66;
- (2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
- (3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;
- (4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;
- (5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;
- (6) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

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

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

(9) all-day kindergarten;

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

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

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

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

Sec. 60. Minnesota Statutes 2014, section 135A.101, is amended by adding a subdivision to read:

**Subd. 3. Minnesota transfer curriculum.** Notwithstanding section 135A.08 or other law to the contrary, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

**EFFECTIVE DATE.** This section is effective August 1, 2015.

Sec. 61. Laws 2013, chapter 116, article 3, section 35, subdivision 2, is amended to read:

**Subd. 2. Achievement and integration levy.** For fiscal year 2014 only, a district's achievement and integration levy equals the lesser of the district's achievement and integration revenue for that year or the amount the district was authorized to levy under Laws 2011, First Special Session chapter 11, article 2, section 49, paragraph (f).

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

Sec. 62. Laws 2014, chapter 312, article 16, section 15, is amended to read:

Sec. 15. **TEACHER DEVELOPMENT AND EVALUATION REVENUE.**

(a) For fiscal year 2015 only, teacher development and evaluation revenue for a school district, intermediate school district, educational cooperative, education district, or charter school with any school site that does not have an alternative professional pay system agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$302 times the number of full-time equivalent teachers employed on

October 1 of the previous school year in each school site without an alternative professional pay system under Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, revenue under this section must be reserved for teacher development and evaluation activities consistent with Minnesota Statutes, section 122A.40, subdivision 8, or Minnesota Statutes, section 122A.41, subdivision 5. For the purposes of this section, "teacher" has the meaning given it in Minnesota Statutes, section 122A.40, subdivision 1, or Minnesota Statutes, section 122A.41, subdivision 1.

(b) Notwithstanding paragraph (a), the state total teacher development and evaluation revenue entitlement must not exceed ~~\$10,000,000~~ \$10,022,000 for fiscal year 2015. The commissioner must limit the amount of revenue under this section so as not to exceed this limit.

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

Sec. 63. Laws 2014, chapter 312, article 16, section 16, subdivision 7, is amended to read:

Subd. 7. **Teacher development and evaluation.** For teacher development and evaluation revenue.

	9,000,000		
\$	<u>9,020,000</u>	.....	2015

The 2015 appropriation includes \$0 for 2014 and ~~\$9,000,000~~ \$9,020,000 for 2015. This is a onetime appropriation and is available until ~~expended~~ the end of fiscal year 2017.

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

Sec. 64. **TRANSFER CURRICULUM REPORT.**

By February 1, 2016, the chancellor of the Minnesota State Colleges and Universities must prepare and submit to the K-12 and higher education committees of the legislature a report describing the implementation of the transfer curriculum policy for postsecondary enrollment options program students under Minnesota Statutes, sections 124D.09, subdivision 12, and 135A.101, subdivision 3, and how to standardize Advanced Placement, International Baccalaureate, and college-level exam program course equivalencies across all state colleges and universities.

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

Sec. 65. **EXAMINING AND DEVELOPING STATEWIDE SWIMMING RESOURCES.**

(a) The commissioner of education must use existing budgetary resources to inventory and report to the education committees of the legislature by February 1, 2016, on the extent of existing resources and best practices available for swimming instruction in Minnesota public schools.

(b) The commissioner of education must establish a work group of interested stakeholders, including the commissioner or commissioner's designee, the commissioner of health or the commissioner's designee, and representatives of K-12 physical education teachers, K-12 school administrators, the Minnesota school boards association, nonprofit fitness and recreational organizations, public parks and recreation departments, and other stakeholders, including community members underserved and disproportionately impacted by the current distribution of swimming resources, interested in swimming instruction and activities identified by the commissioner of education, to determine and report to the education committees of the legislature by February 1, 2016, on the curriculum, resources, personnel, and other costs needed to make swimming

instruction available in all Minnesota public schools for children beginning at an early age. The work group must consider the substance of the report under paragraph (a) in preparing its report.

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

Sec. 66. **SCHOOL START DATE FOR THE 2015-2016 SCHOOL YEAR ONLY.**

Notwithstanding Minnesota Statutes, section 120A.40, or other law to the contrary, for the 2015-2016 school year only, school districts may begin the school year on September 1.

**EFFECTIVE DATE.** This section is effective the day following final enactment for the 2015-2016 school year only.

Sec. 67. **DEVELOPMENTAL COURSE TAKING; REPORT.**

The commissioner of education, in consultation with the commissioner of the Office of Higher Education, the chancellor of the Minnesota State Colleges and Universities, and the president of the University of Minnesota, shall collect and report the following information to the legislature by January 1, 2016:

(1) the tuition costs incurred by students enrolled in noncredit-bearing college courses at the University of Minnesota and the Minnesota State Colleges and Universities for developmental or remedial purposes for the 2014-2015 and preceding four school years; and

(2) for the same time period, the Minnesota high schools who graduated the students in clause (1), the aggregate number of students from each high school in clause (1), and the tuition cost under clause (1) for students from each high school.

Sec. 68. **RECOMMENDATIONS ON SERVICE-LEARNING.**

The Board of Teaching may make recommendations to the legislature on teacher preparation and licensure requirements in the area of service-learning, consistent with Minnesota Statutes, section 124D.50, and the definition of service-learning in the federal National and Community Service Act, as amended, and submit the recommendations to the legislature by February 15, 2016. The board must consult with representatives of teacher preparation programs and institutions, school-based and community-based service-learning practitioners and experts, licensed teachers, students with service-learning experience, and other interested stakeholders in developing the recommendations.

Sec. 69. **APPROPRIATIONS.**

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

Subd. 2. **Alternative compensation.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$	<u>78,331,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>87,147,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$7,766,000 for 2015 and \$70,565,000 for 2016.

The 2017 appropriation includes \$7,840,000 for 2016 and \$79,307,000 for 2017.

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

\$	<u>65,539,000</u>	.....	<u>2016</u>
\$	<u>68,745,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$6,382,000 for 2015 and \$59,157,000 for 2016.

The 2017 appropriation includes \$6,573,000 for 2016 and \$62,172,000 for 2017.

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

\$	<u>44,552,000</u>	.....	<u>2016</u>
\$	<u>45,508,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$4,683,000 for 2015 and \$39,869,000 for 2016.

The 2017 appropriation includes \$4,429,000 for 2016 and \$41,079,000 for 2017.

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

\$	<u>15,023,000</u>	.....	<u>2016</u>
\$	<u>15,825,000</u>	.....	<u>2017</u>

Subd. 6. **Reading Corps.** For grants to serve Minnesota for the Minnesota Reading Corps under Minnesota Statutes, section 124D.42, subdivision 8:

\$	<u>6,125,000</u>	.....	<u>2016</u>
\$	<u>6,125,000</u>	.....	<u>2017</u>

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

Subd. 7. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$	<u>2,157,000</u>	.....	<u>2016</u>
\$	<u>2,273,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$204,000 for 2015 and \$1,953,000 for 2016.

The 2017 appropriation includes \$216,000 for 2016 and \$2,057,000 for 2017.

Subd. 8. **Compensatory revenue pilot program.** For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

\$	<u>2,325,000</u>	.....	<u>2016</u>
\$	<u>2,325,000</u>	.....	<u>2017</u>

(a) In fiscal years 2016 and 2017, grants shall be awarded in the following amounts: \$1,500,000 is for a grant to Independent School District No. 11, Anoka-Hennepin; \$75,000 is for a grant to Independent School District No. 286, Brooklyn Center; \$210,000 is for a grant to Independent School District No. 279, Osseo; \$160,000 is for a grant to Independent School District No. 281, Robbinsdale; \$165,000 is for a grant to Independent School District No. 535, Rochester; \$65,000 is for a grant to Independent School District No. 833, South Washington; and \$150,000 is for a grant to Independent School District No. 241, Albert Lea. If a grant to a specific school district is not awarded, the commissioner may increase the aid amounts to any of the remaining participating school districts.

(b) The commissioner of education must submit a report by February 15, 2016, to the education committees of the legislature evaluating the effectiveness of the pilot program.

**Subd. 9. Concurrent enrollment program.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

\$	<u>4,000,000</u>	.....	<u>2016</u>
\$	<u>4,000,000</u>	.....	<u>2017</u>

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

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

**Subd. 10. Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

\$	<u>213,000</u>	.....	<u>2016</u>
\$	<u>0</u>	.....	<u>2017</u>

The 2016 appropriation includes \$213,000 for 2015 and \$0 for 2016.

**Subd. 11. American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\$	<u>3,513,000</u>	.....	<u>2016</u>
\$	<u>3,726,000</u>	.....	<u>2017</u>

**Subd. 12. Collaborative urban educator.** For the collaborative urban educator grant program:

\$	<u>780,000</u>	.....	<u>2016</u>
\$	<u>780,000</u>	.....	<u>2017</u>

Grants shall be awarded in equal amounts: \$195,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; \$195,000 each year is for the collaborative urban educator program at the University of St. Thomas; \$195,000 each year is for the Center for Excellence in Urban Teaching at Hamline University; and \$195,00 each year is for the East Africa Student to Teacher program at Augsburg College.

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

Each institution shall prepare for the legislature, by January 15 of each year, a detailed report regarding the funds used. The report must include the number of teachers prepared as well as the diversity for each cohort of teachers produced.

Subd. 13. **ServeMinnesota program.** For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

\$	<u>900,000</u>	.....	<u>2016</u>
\$	<u>900,000</u>	.....	<u>2017</u>

A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

Subd. 14. **Student organizations.** For student organizations:

\$	<u>725,000</u>	.....	<u>2016</u>
\$	<u>725,000</u>	.....	<u>2017</u>

\$46,000 each year is for student organizations serving health occupations (HOSA).

\$100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).

\$95,000 each year is for student organizations serving business occupations (BPA, secondary and post-secondary).

\$193,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

\$142,000 each year is for student organizations serving family and consumer science occupations (FCCLA).

\$109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).

\$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

Subd. 15. **Museums and Education Centers.** For grants to museums and education centers:

\$	<u>351,000</u>	.....	<u>2016</u>
\$	<u>351,000</u>	.....	<u>2017</u>

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

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

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

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

Subd. 16. **Teacher development and evaluation.** For teacher development and evaluation revenue:

\$ 1,002,000 ..... 2016

The 2016 appropriation includes \$1,002,000 for 2016 and \$0 for 2017. This is a onetime appropriation and is available in the second year.

Subd. 17. **Starbase MN.** For a grant to Starbase MN for rigorous science, technology, engineering, and math (STEM) program providing students in grades 4 to 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

\$ 924,000 ..... 2016

\$ -0- ..... 2017

This appropriation does not cancel but is available in the second year of the biennium.

The base appropriation for this appropriation in fiscal year 2018 is \$500,000.

All unspent funds, estimated at \$924,000 from the Starbase appropriation under Laws 2013, chapter 116, article 3, section 37, subdivision 22, are canceled to the general fund on June 30, 2015.

Subd. 18. **Recovery program grants.** For recovery program grants under Minnesota Statutes, section 124D.695:

\$ 500,000 ..... 2016

\$ 500,000 ..... 2017

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

Subd. 19. **Full-service community schools.** For full-service community schools under Minnesota Statutes, section 124D.231:

\$ 250,000 ..... 2016

\$ 250,000 ..... 2017

This is a onetime appropriation. Any balance in the first year does not cancel but is available in the second year.

Subd. 20. **Minnesota math corps program.** For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

\$ 250,000 ..... 2016

\$ 250,000 ..... 2017

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

Subd. 21. **American Indian teacher preparation grants.** For joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

\$ 190,000 ..... 2016

\$ 190,000 ..... 2017



Subd. 22. **Civic education grants.** For grants to the Minnesota Civic Education Coalition, Kids Voting St. Paul, Learning Law and Democracy Foundation, and YMCA Youth in Government to provide civic education programs for Minnesota youth age 18 and younger. Civic education is the study of constitutional principles and the democratic foundation of our national, state, and local institutions, and the study of political processes and structures of government, grounded in the understanding of constitutional government under the rule of law.

\$ 125,000 ..... 2016

\$ 125,000 ..... 2017

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

Subd. 23. **Minnesota Principals' Academy.** For a grant to the University of Minnesota College of Education and Human Development, for the operation of the Minnesota Principals' Academy:

\$ 150,000 ..... 2016

\$ 150,000 ..... 2017

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

Subd. 24. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water conservation programming in Minnesota schools:

\$ 81,000 ..... 2016

\$ 69,000 ..... 2017

In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School District No. 624, White Bear Lake; and \$15,000 is for Independent School District No. 832, Mahtomedi. In the second year, \$32,000 is for H2O for Life; \$22,000 is for Independent School District No. 624, White Bear Lake; and \$15,000 is for Independent School District No. 832, Mahtomedi.

Any balance in the first year does not cancel but is available in the second year. The base appropriation for fiscal year 2018 and later is \$0.

Subd. 25. **Northwestern Online College in the High School program.** For the Northwestern Online College in the High School program:

\$ 50,000 ..... 2016

\$ 50,000 ..... 2017

This is a onetime appropriation. Any balance from the first year may carry forward into the second year.

### ARTICLE 3

#### STANDARDS AND ASSESSMENTS

Section 1. Minnesota Statutes 2014, section 120B.02, subdivision 2, is amended to read:

Subd. 2. **Graduation requirements.** To graduate from high school, students must demonstrate to their enrolling school district or school their satisfactory completion of the credit requirements under section

120B.024 and their understanding of academic standards ~~on a nationally normed college entrance exam.~~ A school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

**EFFECTIVE DATE.** This section is effective and applies to students entering grade 8 in the 2012-2013 school year and later.

Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the ~~2015-2016~~ 2020-2021 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year and every ten years thereafter.

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

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

Sec. 3. Minnesota Statutes 2014, section 120B.022, subdivision 1, is amended to read:

Subdivision 1. **Elective standards.** A district must establish its own standards in the following subject areas:

(+) career and technical education; ~~and~~

(2) A district must use the current world languages standards developed by the American Council on the Teaching of Foreign Languages.

A school district must offer courses in all elective subject areas.

Sec. 4. Minnesota Statutes 2014, section 120B.024, subdivision 2, is amended to read:

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

(b) ~~An agriculture science or career and technical education credit may fulfill the credit in chemistry or physics or the elective science credit required under subdivision 1, clause (4), if the credit meets the state chemistry or physics, or district biology physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets the state chemistry or physics academic standards as approved by the district.~~ A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or (6).

(d) An agriculture education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 1, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

(f) A Project Lead the Way credit may fulfill a science or mathematics credit requirement under subdivision 1, clause (2) or (4), if the credit meets the state academic standards in science or mathematics.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 5. Minnesota Statutes 2014, section 120B.11, subdivision 9, is amended to read:

Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for the world's best workforce. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources.

(b) The commissioner must identify those districts in any consecutive three-year period not making sufficient progress toward improving teaching and learning for all students, including English learners with varied needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for the world's best workforce. The commissioner, in collaboration with the identified district, may require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement commissioner-specified strategies and practices, consistent with paragraph (a), to improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

(c) The commissioner shall report by January 25 of each year to the committees of the legislature having jurisdiction over kindergarten through grade 12 education the list of school districts that have not submitted their report to the commissioner under subdivision 5 and the list of school districts not achieving their performance goals established in their plan under subdivision 2.

Sec. 6. Minnesota Statutes 2014, section 120B.125, is amended to read:

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

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

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

(2) emphasize academic rigor and high expectations;

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

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

(5) help students access education and career options;

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

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

(8) help identify collaborative partnerships among prekindergarten through grade 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.

Sec. 7. Minnesota Statutes 2014, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 7 ~~8. Reading and mathematics assessments for all students in grade 8 must be aligned with the state's required reading and mathematics standards, be administered annually, and include multiple choice questions.~~ State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year.

(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, ~~or~~ (v) a nationally recognized armed services vocational aptitude test.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, ~~or~~ (v) a nationally recognized armed services vocational aptitude test.

(3) For students under clause (1) or (2), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.

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

(1) mathematics;

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

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

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

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

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) ~~demonstrate understanding of required academic standards~~ an opportunity to participate on a nationally normed college entrance exam, in grade 11 or grade 12;

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

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

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

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

~~(d) To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and postsecondary education programs and Minnesota's workforce needs, and the efficiency and cost-effectiveness of secondary and postsecondary programs, the commissioner, after consulting with the chancellor of the Minnesota State Colleges and Universities and using a request for proposal process, shall contract for a series of assessments that are consistent with this subdivision, aligned with state academic standards, and include career and college readiness benchmarks. Mathematics, reading, and writing assessments for students in grades 8 and 10 must be predictive of a nationally normed assessment for career and college readiness. This~~

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. With funding provided by the state, a district must pay the cost,

one time, for an interested student in grade 11 or 12 to take a nationally recognized assessment must be a college entrance exam and given to students in grade 11 before graduating. This series of assessments must include a college placement diagnostic exam and contain career exploration elements. A student must be able to take the exam under this paragraph at the student's high school during the school day and at any one of the multiple exam administrations available to students in the district.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

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

(2) ~~Students in grade 10 or 11 not yet academically ready for a career or college based on their growth in academic achievement between grades 8 and 10 must take the college placement diagnostic exam before taking the college entrance exam under clause (3). Students, their families, the school, and the district can then use the results of the college placement diagnostic exam for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for a student to graduate and have a reasonable chance to succeed in a career or college without remediation.~~

(3) ~~All students except those eligible for alternative assessments must be given the college entrance part of these assessments in grade 11.~~ (h) A student under this clause who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on these high school assessments under subdivision 1a is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(4) (i) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

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

~~(e)~~ (j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

~~(f)~~ (k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

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

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

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

~~(j)~~ (o) The commissioner shall include the following components in the statewide public reporting system:

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

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

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

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

~~(k)~~ (p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and em-



ployment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(†) (q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 8. Minnesota Statutes 2014, section 120B.30, subdivision 1a, is amended to read:

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

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

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

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

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

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

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year and later 8.

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

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

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require

students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

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

(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

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

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

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

(e) The commissioner must ensure that all state tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(f) Reporting of state assessment results must:

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

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

(g) Consistent with applicable federal law, the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

(h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

Sec. 9. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision to read:

**Subd. 1b. Special and extenuating circumstances.** The Department of Education shall develop a list of circumstances in which a student may be unable to test. The list shall include but not be limited to: students transferring to Minnesota from another state, students transferring from nonpublic to public school and students hospitalized. Students unable to participate in statewide assessment due to a circumstance on the list authorized under this subdivision shall not be penalized for missing the opportunity to take a test.

Sec. 10. Minnesota Statutes 2014, section 120B.30, subdivision 4, is amended to read:

Subd. 4. **Access to tests.** Consistent with section 13.34, the commissioner must adopt and publish a policy to provide public and parental access for review of basic skills tests, Minnesota Comprehensive Assessments, or any other such statewide test and assessment developed assessments which would not compromise the objectivity or fairness of the testing or examination process. Upon receiving a written request, the commissioner must make available to parents or guardians a copy of their student's actual responses to the test questions for their review.

Sec. 11. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision to read:

Subd. 6. **Commissioner-ordered suspension of assessments.** In the event that it becomes necessary for the commissioner to order the suspension of assessments under this section because of service disruptions, technical interruptions, or any other reason beyond the control of school districts, the commissioner must immediately notify the chair and ranking member of the legislative committees with jurisdiction over kindergarten through grade 12 education.

Sec. 12. **[120B.301] LIMITS ON LOCAL TESTING.**

(a) For students in grades 1 through 6, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed ten hours per school year. For students in grades 7 through 12, the cumulative total amount of time spent taking locally adopted districtwide or schoolwide assessments must not exceed 11 hours per school year. For purposes of this paragraph, International Baccalaureate and Advanced Placement exams are not considered locally adopted assessments.

(b) A district or charter school is exempt from the requirements of paragraph (a), if the district or charter school, in consultation with the exclusive representative of the teachers or other teachers if there is no exclusive representative of the teachers, decides to exceed a time limit in paragraph (a) and includes in the report required under section 120B.11, subdivision 5.

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

Sec. 13. **INTERRUPTED TESTS; TEST DATA.**

(a) The commissioner of education must contract with a qualified independent contractor to determine whether students' 2015 Minnesota Comprehensive Assessments mathematics, reading, and science test results under Minnesota Statutes, section 120B.30, are sufficiently robust or were sufficiently invariant to observed disruptions of the test administration to accurately reflect students' achievement on these tests.

(b) For purposes of Minnesota Statutes, section 120B.36, and section 122A.40, subdivision 9, or 122A.41, subdivision 5, and notwithstanding other law to the contrary, a school district may decide, consistent with the concern under paragraph (a) about incomplete data from interrupted tests, to not report student test results for the 2014-2015 school year.

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

Sec. 14. **REPORT ON MCA CONTRACTOR PERFORMANCE.**

By February 10, 2016, the commissioner of education must report to the legislative committee with jurisdiction over education finance and policy describing the performance of the contractor providing

the Minnesota Comprehensive Assessments to the state, including any payment adjusted to reflect the contractor's failure to perform according to the terms of the state contract, findings from the qualified independent contractor under section 13, and any other information about online administration of the Minnesota Comprehensive assessments the commissioner wishes to include in the report.

Sec. 15. **APPROPRIATIONS.**

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

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

\$	<u>11,204,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>10,892,000</u>	<u>.....</u>	<u>2017</u>

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

Subd. 3. **ACT test reimbursement.** To reimburse districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e), for onetime payment of their ACT examination fee:

\$	<u>3,011,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>3,011,000</u>	<u>.....</u>	<u>2017</u>

The Department of Education must reimburse districts for their onetime payments on behalf of students.

Sec. 16. **REPEALER.**

Minnesota Statutes 2014, section 120B.128, is repealed.

**ARTICLE 4**

**CHARTER SCHOOLS**

Section 1. Minnesota Statutes 2014, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. **Purposes.** (a) The primary purpose of this section is to improve all pupil learning and all student achievement. Additional purposes include to:

- (1) increase learning opportunities for all pupils;
- (2) encourage the use of different and innovative teaching methods;
- (3) measure learning outcomes and create different and innovative forms of measuring outcomes;
- (4) establish new forms of accountability for schools; or

(5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize the establishing of a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the

authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of this subdivision. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

(c) An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (e) ~~(d)~~ before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

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

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

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

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

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

(iii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota;

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years; or

(5) single-purpose authorizers formed as charitable, nonsectarian organizations under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

(c) Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph ~~(e)~~ (d) and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

~~(e)~~ (d) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

~~(d)~~ (e) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
- (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;
- (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;

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

(6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph ~~(j)~~ (s);

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

(8) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

~~(e)~~ (f) A disapproved applicant under this section may resubmit an application during a future application period.

~~(f)~~ (g) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

~~(g)~~ (h) The authorizer must participate in department-approved training.

~~(h)~~ (i) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(j) If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

~~(i)~~ (k) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph ~~(e)~~ (d) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 3. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph ~~(b)~~ (d).

~~(b)~~ (b) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

~~(c)~~ (c) Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

~~(b)~~ (d) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

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

~~(d)~~ (f) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A and.

~~(g)~~ (g) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f) (l). A charter school board of directors must be composed of at least five members who are not related parties.

~~(h)~~ (h) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled



in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election.

(i) Board of director meetings must comply with chapter 13D.

~~(e)~~ (j) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public.

(k) Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

~~(f)~~ (l) Every charter school board member shall attend annual training throughout the member's term on the board. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

~~(g)~~ (m) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations.

(n) The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

(o) Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

~~(h)~~ (p) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

~~(i)~~ (q) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer.

(r) Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

~~(j)~~ (s) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

(1) the need for the expansion with supporting long-range enrollment projections;

(2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and

(4) board capacity and an administrative and management plan to implement its expansion.

~~(k)~~ (t) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 4. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

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

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

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

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(e) A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

~~(e)~~ (f) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid under section 126C.19.

~~(f)~~ (g) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people older than 18 years of age. A charter school may offer a free or fee-based preschool or prekindergarten that meets high-quality early learning instructional program standards that are aligned with Minnesota's early learning standards for children. The hours a student is enrolled in a fee-based prekindergarten program do not generate pupil units under section 126C.05 and must not be used to calculate general education revenue under section 126C.10. A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

~~(g)~~ (h) Except as provided in paragraph (g), a charter school may not charge tuition.

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

~~(i)~~ (j) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, ~~and~~.

(k) A charter school is subject to and must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

~~(j)~~ (l) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

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

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

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

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

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

~~(p)~~ (r) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

~~(q)~~ (s) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

~~(r)~~ (t) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

~~(s)~~ (u) A charter school is subject to and must comply with continuing truant notification under section 260A.03.

~~(t)~~ (v) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

~~(u)~~ (w) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

~~(v)~~ (x) A charter school must comply with section 121A.031 governing policies on prohibited conduct.

~~(w)~~ (y) A charter school must comply with all pupil transportation requirements in section 123B.88, subdivision 1. A charter school must not require parents to surrender their rights to pupil transportation under section 123B.88, subdivision 2.

**EFFECTIVE DATE.** This section is effective the day following final enactment except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing pupils to enroll in a charter school is effective only if the commissioner of education determines there is no added cost attributable to the pupil.

Sec. 5. Minnesota Statutes 2014, section 124D.10, subdivision 12, is amended to read:

Subd. 12. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, ~~and 125A.65, and 125A.75~~ and rules relating to the education of pupils with a disability as though it were a district. A charter school enrolling prekindergarten pupils with a disability under subdivision 8, paragraph (g), must comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early Intervention System as though it were a school district.

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

Sec. 6. Minnesota Statutes 2014, section 124D.10, subdivision 14, is amended to read:

Subd. 14. **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's annual public report that is part of the system to evaluate authorizer performance under subdivision 3, paragraph (h). The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 7. Minnesota Statutes 2014, section 124D.10, is amended by adding a subdivision to read:

Subd. 24a. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The effective date of a merger must be July 1. The merged school must continue under the identity of one of the merging schools. A new charter contract under subdivision 6 must be executed by July 1. The authorizer must submit to the commissioner a copy of the new signed charter contract within ten business days of its execution.

(b) Each merging school must submit a separate year-end report for the previous year for that school only. After the final fiscal year of the premerger schools is closed out, the fund balances and debts from the merging schools must be transferred to the merged school.

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 8. Minnesota Statutes 2014, section 124D.11, subdivision 9, is amended to read:

**Subd. 9. Payment of aids to charter schools.** (a) Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 16 payment dates in July through February.

(b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing operation on or prior to June 30 of a school year, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under chapter 308A or 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, documentation of lease expenditures, and monitoring of special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment. For a charter school ceasing operations prior to, or at the end of, a school year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may be made after receiving the closure plan, audit of pupil counts, monitoring of special education expenditures, documentation of lease expenditures, and school submission of Uniform Financial Accounting and Reporting

Standards (UFARS) financial data for the final year of operation. Final payment may be made upon receipt of audited financial statements under section 123B.77, subdivision 3.

(c) If a charter school fails to comply with the commissioner's directive to return, for cause, federal or state funds administered by the department, the commissioner may withhold an amount of state aid sufficient to satisfy the directive.

(d) If, within the timeline under section 471.425, a charter school fails to pay the state of Minnesota, a school district, intermediate school district, or service cooperative after receiving an undisputed invoice for goods and services, the commissioner may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to the interested state agency, school district, intermediate school district, or service cooperative. An interested state agency, school district, intermediate school district, or education cooperative shall notify the commissioner when a charter school fails to pay an undisputed invoice within 75 business days of when it received the original invoice.

~~(e)~~ Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

~~(f)~~ (e) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

~~(g)~~ (f) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

(h) (g) A charter school must have a valid, signed contract under section 124D.10, subdivision 6, on file at the Department of Education at least 15 days prior to the date of first payment of state aid for the fiscal year.

(i) (h) State aid entitlements shall be computed for a charter school only for the portion of a school year for which it has a valid, signed contract under section 124D.10, subdivision 6.

## Sec. 9. APPROPRIATIONS.

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

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

\$	<u>66,787,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>73,603,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$6,032,000 for 2015 and \$60,755,000 for 2016.

The 2017 appropriation includes \$6,750,000 for 2016 and \$66,853,000 for 2017.

Sec. 10. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor of statutes may alter the renumbering to incorporate statutory changes made during the 2015 regular legislative session. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering in this instruction and the relettering of paragraphs in sections 1 to 8.

<u>Column A</u>	<u>Column B</u>
<u>124D.10, subd. 1, paragraph (a)</u>	<u>124E.01, subd. 1</u>
<u>124D.10, subd. 1, paragraph (b)</u>	<u>124E.06, subd. 3, paragraph (d)</u>
<u>124D.10, subd. 1, paragraph (c)</u>	<u>124E.06, subd. 1, paragraph (b)</u>
<u>124D.10, subd. 2</u>	<u>124E.01, subd. 2</u>
<u>124D.10, subd. 3, paragraph (a)</u>	<u>124E.02, paragraph (a)</u>
<u>124D.10, subd. 3, paragraph (b)</u>	<u>124E.05, subd. 1</u>
<u>124D.10, subd. 3, paragraph (c)</u>	<u>124E.05, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 3, paragraph (d)</u>	<u>124E.05, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 3, paragraph (e)</u>	<u>124E.05, subd. 4</u>
<u>124D.10, subd. 3, paragraph (f)</u>	<u>124E.05, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 3, paragraph (g)</u>	<u>124E.05, subd. 7</u>
<u>124D.10, subd. 3, paragraph (h)</u>	<u>124E.05, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 3, paragraph (i)</u>	<u>124E.05, subd. 5</u>
<u>124D.10, subd. 3, paragraph (j)</u>	<u>124E.05, subd. 6, paragraph (a)</u>
<u>124D.10, subd. 3, paragraph (k)</u>	<u>124E.05, subd. 6, paragraph (b)</u>
<u>124D.10, subd. 4, paragraph (a)</u>	<u>124E.06, subd. 1, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (b)</u>	<u>124E.06, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (c)</u>	<u>124E.06, subd. 2, paragraph (c)</u>
<u>124D.10, subd. 4, paragraph (d)</u>	<u>124E.06, subd. 4</u>
<u>124D.10, subd. 4, paragraph (e)</u>	<u>124E.06, subd. 3, paragraph (g)</u>
<u>124D.10, subd. 4, paragraph (f)</u>	<u>124E.06, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 4, paragraph (g)</u>	<u>124E.07, subd. 1</u>
<u>124D.10, subd. 4, paragraph (h)</u>	<u>124E.07, subd. 5</u>
<u>124D.10, subd. 4, paragraph (i)</u>	<u>124E.07, subd. 8, paragraph (a)</u>

<u>124D.10, subd. 4, paragraph (j)</u>	<u>124E.07, subd. 8, paragraph (b)</u>
<u>124D.10, subd. 4, paragraph (k)</u>	<u>124E.17, subd. 2</u>
<u>124D.10, subd. 4, paragraph (l)</u>	<u>124E.07, subd. 7</u>
<u>124D.10, subd. 4, paragraph (m)</u>	<u>124E.07, subd. 2</u>
<u>124D.10, subd. 4, paragraph (n)</u>	<u>124E.07, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (o)</u>	<u>124E.07, subd. 4</u>
<u>124D.10, subd. 4, paragraph (p)</u>	<u>124E.10, subd. 2, paragraph (c)</u>
<u>124D.10, subd. 4, paragraph (q)</u>	<u>124E.10, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 4, paragraph (r)</u>	<u>124E.10, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (s)</u>	<u>124E.06, subd. 5, paragraph (a)</u>
<u>124D.10, subd. 4, paragraph (t)</u>	<u>124E.06, subd. 5, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (a)</u>	<u>124E.07, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (b)</u>	<u>124E.14, paragraph (a)</u>
<u>124D.10, subd. 4a, paragraph (c)</u>	<u>124E.07, subd. 3, paragraph (c)</u>
<u>124D.10, subd. 4a, paragraph (d)</u>	<u>124E.07, subd. 3, paragraph (d)</u>
<u>124D.10, subd. 4a, paragraph (e)</u>	<u>124E.14, paragraph (b)</u>
<u>124D.10, subd. 4a, paragraph (f)</u>	<u>124E.14, paragraph (c)</u>
<u>124D.10, subd. 5</u>	<u>124E.06, subd. 6</u>
<u>124D.10, subd. 6</u>	<u>124E.10, subd. 1, paragraph (a)</u>
<u>124D.10, subd. 6a</u>	<u>124E.16, subd. 1, paragraphs (b) to (e)</u>
<u>124D.10, subd. 7</u>	<u>124E.03, subd. 1</u>
<u>124D.10, subd. 8, paragraph (a)</u>	<u>124E.03, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (b)</u>	<u>124E.03, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (c)</u>	<u>124E.06, subd. 3, paragraph (e)</u>
<u>124D.10, subd. 8, paragraph (d)</u>	<u>124E.06, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (e)</u>	<u>124E.03, subd. 4, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (f)</u>	<u>124E.06, subd. 3, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (g)</u>	<u>124E.06, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (h)</u>	<u>124E.06, subd. 3, paragraph (f)</u>
<u>124D.10, subd. 8, paragraph (i)</u>	<u>124E.03, subd. 4, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (j)</u>	<u>124E.11, paragraph (g)</u>
<u>124D.10, subd. 8, paragraph (k)</u>	<u>124E.03, subd. 2, paragraph (c)</u>



<u>124D.10, subd. 8, paragraph (l)</u>	<u>124E.16, subd. 1, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (m)</u>	<u>124E.03, subd. 2, paragraph (d)</u>
<u>124D.10, subd. 8, paragraph (n)</u>	<u>124E.03, subd. 5, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (o)</u>	<u>124E.03, subd. 2, paragraph (e)</u>
<u>124D.10, subd. 8, paragraph (p)</u>	<u>124E.03, subd. 7, paragraph (a)</u>
<u>124D.10, subd. 8, paragraph (q)</u>	<u>124E.03, subd. 2, paragraph (f)</u>
<u>124D.10, subd. 8, paragraph (r)</u>	<u>124E.03, subd. 5, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (s)</u>	<u>124E.03, subd. 7, paragraph (b)</u>
<u>124D.10, subd. 8, paragraph (t)</u>	<u>124E.03, subd. 7, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (u)</u>	<u>124E.03, subd. 2, paragraph (g)</u>
<u>124D.10, subd. 8, paragraph (v)</u>	<u>124E.03, subd. 2, paragraph (h)</u>
<u>124D.10, subd. 8, paragraph (w)</u>	<u>124E.03, subd. 2, paragraph (i)</u>
<u>124D.10, subd. 8, paragraph (x)</u>	<u>124E.03, subd. 4, paragraph (c)</u>
<u>124D.10, subd. 8, paragraph (y)</u>	<u>124E.15, paragraph (a)</u>
<u>124D.10, subd. 8a</u>	<u>124E.25, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 8b</u>	<u>124E.25, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 9</u>	<u>124E.11, paragraphs (a) to (f)</u>
<u>124D.10, subd. 10</u>	<u>124E.10, subd. 1, paragraph (b)</u>
<u>124D.10, subd. 11, paragraph (a)</u>	<u>124E.12, subd. 1</u>
<u>124D.10, subd. 11, paragraph (b)</u>	<u>124E.12, subd. 2</u>
<u>124D.10, subd. 11, paragraph (c)</u>	<u>124E.07, subd. 6</u>
<u>124D.10, subd. 11, paragraph (d)</u>	<u>124E.12, subd. 5</u>
<u>124D.10, subd. 12</u>	<u>124E.03, subd. 3</u>
<u>124D.10, subd. 13</u>	<u>124E.03, subd. 6</u>
<u>124D.10, subd. 14</u>	<u>124E.16, subd. 2</u>
<u>124D.10, subd. 15, paragraphs (a) to (e)</u>	<u>124E.10, subd. 3, paragraphs (a) to (e)</u>
<u>124D.10, subd. 15, paragraph (f)</u>	<u>124E.05, subd. 8</u>
<u>124D.10, subd. 16</u>	<u>124E.15, paragraphs (b) to (d)</u>
<u>124D.10, subd. 17</u>	<u>124E.13, subd. 1</u>
<u>124D.10, subd. 17a</u>	<u>124E.13, subd. 3</u>
<u>124D.10, subd. 17b</u>	<u>124E.13, subd. 4</u>
<u>124D.10, subd. 19</u>	<u>124E.17, subd. 1</u>

<u>124D.10, subd. 20</u>	<u>124E.12, subd. 6</u>
<u>124D.10, subd. 21</u>	<u>124E.12, subd. 3</u>
<u>124D.10, subd. 22</u>	<u>124E.12, subd. 4</u>
<u>124D.10, subd. 23, paragraphs (a) and (b)</u>	<u>124E.10, subd. 4, paragraphs (a) and (b)</u>
<u>124D.10, subd. 23, paragraph (c)</u>	<u>124E.10, subd. 5</u>
<u>124D.10, subd. 23, paragraph (d)</u>	<u>124E.10, subd. 4, paragraph (c)</u>
<u>124D.10, subd. 23a, paragraph (a)</u>	<u>124E.13, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 23a, paragraph (b)</u>	<u>124E.02, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (c)</u>	<u>124E.13, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (d)</u>	<u>124E.13, subd. 2, paragraph (c)</u>
<u>124D.10, subd. 24</u>	<u>124E.10, subd. 6</u>
<u>124D.10, subd. 25</u>	<u>124E.09</u>
<u>124D.10, subd. 27</u>	<u>124E.08</u>
<u>124D.11, subd. 1</u>	<u>124E.20, subd.1</u>
<u>124D.11, subd. 2</u>	<u>124E.23</u>
<u>124D.11, subd. 3</u>	<u>124E.20, subd. 2</u>
<u>124D.11, subd. 4</u>	<u>124E.22</u>
<u>124D.11, subd. 5</u>	<u>124E.21</u>
<u>124D.11, subd. 6</u>	<u>124E.24</u>
<u>124D.11, subd. 7</u>	<u>124E.26</u>
<u>124D.11, subd. 9, paragraph (a)</u>	<u>124E.25, subd. 1, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (b)</u>	<u>124E.25, subd. 1, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (c)</u>	<u>124E.25, subd. 4, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (d)</u>	<u>124E.25, subd. 4, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (e)</u>	<u>124E.25, subd. 2, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (f)</u>	<u>124E.25, subd. 1, paragraph (c)</u>
<u>124D.11, subd. 9, paragraph (g)</u>	<u>124E.25, subd. 2, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (h)</u>	<u>124E.25, subd. 2, paragraph (c)</u>

## ARTICLE 5

### SPECIAL EDUCATION

Section 1. Minnesota Statutes 2014, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterater who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

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

Subd. 2. **Oral or cued speech transliterators.** (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterater certificate awarded by the national certifying association or comparable state certification from the commissioner of education.

(b) To provide oral or cued speech transliterator services on a full-time or part-time basis, a person employed in a school district must comply with paragraph (a). The commissioner shall grant a nonrenewable, two-year certificate to a school district on behalf of a person who has not yet attained a current applicable transliterater certificate under paragraph (a). A person for whom a nonrenewable, two-year certificate is issued must work under the direction of a licensed teacher who is skilled in language development of individuals who are deaf or hard-of-hearing. A person for whom a nonrenewable, two-year certificate is issued also must enroll in a state-approved training program and demonstrate progress towards the certification required under paragraph (a) sufficient for the person to be certified at the end of the two-year period.

(c) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing People, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

Sec. 3. Minnesota Statutes 2014, section 123B.88, subdivision 1, is amended to read:

Subdivision 1. **Providing transportation.** The board may provide for the transportation of pupils to and from school and for any other purpose. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. In any district, the board must arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been voluntarily surrendered under

subdivision 2, or whose privileges have been revoked under section 123B.91, subdivision 1, clause (6), or 123B.90, subdivision 2. The district may provide for the transportation of or the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. Arrangements for attendance may include a requirement that parents or guardians request transportation before it is provided. The board must provide necessary transportation ~~to and from the home of~~ consistent with section 123B.92, subdivision 1, paragraph (b), clause (4), for a child with a disability not yet enrolled in kindergarten ~~when for the provision of special instruction and services under sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided in a location other than in the child's home.~~ Special instruction and services for a child with a disability not yet enrolled in kindergarten include an individualized education program team placement in an early childhood program when that placement is necessary to address the child's level of functioning and needs. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, the determination of fees, and any other matter relating thereto must be within the sole discretion, control, and management of the board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 4. Minnesota Statutes 2014, section 124D.11, subdivision 1, is amended to read:

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

(b) Notwithstanding paragraph (a), the general education revenue for an eligible special education charter school as defined in subdivision 5a equals the sum of the amount determined under paragraph (a) and the school's unreimbursed cost as defined in subdivision 5a for educating students not eligible for special education services.

Sec. 5. Minnesota Statutes 2014, section 124D.11, subdivision 5, is amended to read:

Subd. 5. **Special education aid.** (a) Except as provided in subdivision 2, special education aid must be paid to a charter school according to section 125A.76, as though it were a school district.

(b) For fiscal year 2015 and later, the special education aid paid to the charter school shall be adjusted as follows:

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

(2) if the charter school receives general education revenue on behalf of the student according to subdivision 1, the aid shall be adjusted as provided in section 127A.47, subdivision 7, paragraphs (b) to ~~(d)~~ (e).

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

Sec. 6. Minnesota Statutes 2014, section 124D.11, is amended by adding a subdivision to read:

Subd. 5a. **Definitions.** (a) For purposes of subdivision 5b, the terms in this subdivision have the meanings given.

(b) "Unreimbursed costs" means the difference between the total cost of educating students at the school and the total of state and federal aids and grants, excluding aid under subdivision 1, paragraph (b), and subdivision 5b.

(c) "Eligible special education charter school" means a charter school:

(1) where the percent of students eligible for special education services equals at least 90 percent of the charter school's total enrollment; and

(2) that submits to the commissioner a preliminary annual budget by June 15 prior to the start of the fiscal year and a revised budget by January 15 of the current fiscal year detailing its unreimbursed costs for educating students eligible and not eligible for special education services.

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

Sec. 7. Minnesota Statutes 2014, section 124D.11, is amended by adding a subdivision to read:

Subd. 5b. **Special education aid for eligible special education charter schools.** (a) Notwithstanding subdivision 5, the special education aid for an eligible special education charter school equals the sum of the school's special education aid under subdivision 5, paragraph (a), and the school's approved unreimbursed cost for educating students eligible for special education services.

(b) The commissioner must review the budget data submitted by an eligible special education charter school under subdivision 5a and notify the school of the approved unreimbursed cost to be used for current aid payments within 30 days of receiving the budget from the school.

(c) For purposes of section 127A.45, subdivision 13, the aid under this subdivision is not subject to the 97.4 percent current fiscal year special education aid entitlement provision.

(d) Final aid payments must be calculated using the actual unreimbursed costs as determined by the department based on year-end financial and student data submitted by the charter school.

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

Sec. 8. Minnesota Statutes 2014, section 125A.01, is amended to read:

### **125A.01 DEFINITIONS.**

Subdivision 1. **General application.** For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

Subd. 2. **Dyslexia.** "Dyslexia" means a specific learning disability that is neurological in origin. It is characterized by difficulties with accurate or fluent recognition of words and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction.

Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede the growth of vocabulary and background knowledge.

Students who have a dyslexia diagnosis must meet the state and federal eligibility criteria in order to qualify for special education services.

Sec. 9. Minnesota Statutes 2014, section 125A.023, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section and section 125A.027, the following terms have the meanings given them:

(a) "Health plan" means:

- (1) a health plan under section 62Q.01, subdivision 3;
- (2) a county-based purchasing plan under section 256B.692;
- (3) a self-insured health plan established by a local government under section 471.617; or
- (4) self-insured health coverage provided by the state to its employees or retirees.

(b) For purposes of this section, "health plan company" means an entity that issues a health plan as defined in paragraph (a).

(c) "Interagency intervention service system" means a system that coordinates services and programs required in state and federal law to meet the needs of eligible children with disabilities ages ~~birth~~ three through 21, including:

(1) services provided under the following programs or initiatives administered by state or local agencies:

- (i) the maternal and child health program under title V of the Social Security Act;
- (ii) the Minnesota children with special health needs program under sections 144.05 and 144.07;
- (iii) the Individuals with Disabilities Education Act, Part B, section 619, and Part C as amended;
- (iv) medical assistance under title 42, chapter 7, of the Social Security Act;
- (v) developmental disabilities services under chapter 256B;
- (vi) the Head Start Act under title 42, chapter 105, of the Social Security Act;

(vii) vocational rehabilitation services provided under chapters 248 and 268A and the Rehabilitation Act of 1973;

(viii) Juvenile Court Act services provided under sections 260.011 to 260.91; 260B.001 to 260B.446; and 260C.001 to 260C.451;

- (ix) Minnesota Comprehensive Children's Mental Health Act under section 245.487;
- (x) the community health services grants under sections 145.88 to 145.9266;
- (xi) the Local Public Health Act under chapter 145A; and
- (xii) the Vulnerable Children and Adults Act, sections 256M.60 to 256M.80;

(2) service provision and funding that can be coordinated through:

(i) the children's mental health collaborative under section 245.493;

(ii) the family services collaborative under section 124D.23;

(iii) the community transition interagency committees under section 125A.22; and

(iv) the interagency early intervention committees under section 125A.259;

(3) financial and other funding programs to be coordinated including medical assistance under title 42, chapter 7, of the Social Security Act, the MinnesotaCare program under chapter 256L, Supplemental Social Security Income, Developmental Disabilities Assistance, and any other employment-related activities associated with the Social Security Administration; and services provided under a health plan in conformity with an individual family service plan or an individualized education program or an individual interagency intervention plan; and

(4) additional appropriate services that local agencies and counties provide on an individual need basis upon determining eligibility and receiving a request from (i) the interagency early intervention committee school board or county board and (ii) the child's parent.

(d) "Children with disabilities" has the meaning given in section 125A.02.

(e) A "standardized written plan" means those individual services or programs, with accompanying funding sources, available through the interagency intervention service system to an eligible child other than the services or programs described in the child's individualized education program or the child's individual family service plan.

Sec. 10. Minnesota Statutes 2014, section 125A.023, subdivision 4, is amended to read:

**Subd. 4. State Interagency Committee.** (a) The commissioner of education, on behalf of the governor, shall convene an interagency committee to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities. The commissioners of commerce, education, health, human rights, human services, employment and economic development, and corrections shall each appoint two committee members from their departments; and the Association of Minnesota Counties, Minnesota School Boards Association, the Minnesota Administrators of Special Education, and the School Nurse Association of Minnesota shall each appoint one committee member. The committee shall select a chair from among its members.

(b) The committee shall:

(1) identify and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible funding sources to streamline these services;

(3) develop guidelines for implementing policies that ensure a comprehensive and coordinated system of all state and local agency services, including multidisciplinary assessment practices for children with disabilities ages three to 21, including:

(i) develop, consistent with federal law, a standardized written plan for providing services to a child with disabilities;



(ii) identify how current systems for dispute resolution can be coordinated;

(iii) develop an evaluation process to measure the success of state and local interagency efforts in improving the quality and coordination of services to children with disabilities ages three to 21; and

(iv) develop guidelines to assist the governing boards of the interagency early intervention committees school boards and county boards in carrying out the duties assigned in section 125A.027, subdivision 1, paragraph (b); and

(4) carry out other duties necessary to develop and implement within communities a coordinated, multidisciplinary, interagency intervention service system for children with disabilities.

(c) The committee shall consult on an ongoing basis with the state Special Education Advisory Panel and the governor's Interagency Coordinating Council in carrying out its duties under this section, including assisting the governing school boards of the interagency early intervention committees and county boards.

Sec. 11. Minnesota Statutes 2014, section 125A.027, is amended to read:

**125A.027 INTERAGENCY EARLY INTERVENTION COMMITTEE RESPONSIBILITIES  
LOCAL AGENCY COORDINATION RESPONSIBILITIES.**

Subdivision 1. ~~Additional duties School board and county board responsibilities.~~ (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 and receiving services from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must conform with a standardized written plan for each eligible child ages three to 21.

(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages three to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that ensures that coordinated interagency services are coordinated, provided, and paid for and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).

Subd. 1a. **Local governance structure.** (a) ~~The governing school boards of the interagency early intervention committees and county boards~~ are responsible for developing and implementing interagency policies and procedures to coordinate services at the local level for children with disabilities ages three to 21 under guidelines established by the state interagency committee under section 125A.023, subdivision 4. Consistent with the requirements in this section and section 125A.023, ~~the governing school boards of the interagency early intervention committees and county boards~~ may organize as a joint powers board under section 471.59 or enter into an interagency agreement that establishes a governance structure.

(b) ~~The governing board of each interagency early intervention committee as defined in section 125A.30, paragraph (a), which may include a juvenile justice professional, shall:~~

~~(1) identify state and federal barriers to local coordination of services provided to children with disabilities;~~

~~(2) implement policies that ensure a comprehensive and coordinated system of all state and local agency services, including practices on multidisciplinary assessment, standardized written plans, dispute resolution, and system evaluation for children with disabilities ages three to 21;~~

~~(3) coordinate services and facilitate payment for services from public and private institutions, agencies, and health plan companies; and~~

~~(4) share needed information consistent with state and federal data practices requirements.~~

Subd. 2. **Appropriate and necessary services.** (a) Parents, physicians, other health care professionals including school nurses, and education and human services providers jointly must determine appropriate and necessary services for eligible children with disabilities ages three to 21. The services provided to the child under this section must conform with the child's standardized written plan. The governing school board of an interagency early intervention committee or county board must provide those services contained in a child's individualized education program and those services for which a legal obligation exists. Nothing in this section creates an additional right of appeal beyond the rights granted under sections 125A.091, 125A.25, and 256.045.

(b) Nothing in this section or section 125A.023 increases or decreases the obligation of the state, county, regional agency, local school district, or local agency or organization to pay for education, health care, or social services.

(c) A health plan may not exclude any medically necessary covered service solely because the service is or could be identified in a child's individual family service plan, individualized education program, a plan established under section 504 of the federal Rehabilitation Act of 1973, or a student's individual health plan. This paragraph reaffirms the obligation of a health plan company to provide or pay for certain medically necessary covered services, and encourages a health plan company to coordinate this care with any other providers of similar services. Also, a health plan company may not exclude from a health plan any medically necessary covered service such as an assessment or physical examination solely because the resulting information may be used for an individualized education program or a standardized written plan.

~~Subd. 4. **Responsibilities of school and county boards.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate service for children eligible under section 125A.02 and receiving service from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must be in conformity with a standardized written plan for each eligible child ages 3 to 21.~~

~~(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.~~

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages 3 to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that assures that coordinated interagency services are coordinated, provided, and paid for, and that payment is facilitated from public and private sources. School boards must provide, pay for, and

~~facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).~~

Sec. 12. Minnesota Statutes 2014, 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 with attention deficit disorder or attention deficit hyperactivity disorder. 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;

(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 for 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 immediately upon beginning at the time of employment, each paraprofessional develops 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 available 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 individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

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

### Sec. 13. **[125A.083] STUDENT INFORMATION SYSTEMS; TRANSFERRING RECORDS.**

To efficiently and effectively meet federal and state compliance and accountability requirements using an online case management reporting system, school districts may contract only for a student information system that is Schools Interoperability Framework compliant and compatible with the online system for compliance reporting under section 125A.085 beginning in the 2018-2019 school year and later. A district's information system under this section must facilitate the seamless transfer of student records for a student with disabilities who transfers between school districts, including records containing the student's evaluation report, service plan, and other due process forms and information, regardless of what information system any one district uses.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all district contracts with student information system vendors entered into or modified after that date.

Sec. 14. Minnesota Statutes 2014, section 125A.085, is amended to read:

### **125A.085 ONLINE REPORTING OF REQUIRED DATA.**

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

(b) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

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

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

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

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

(c) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this section for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this section. This online system must be made available to school districts without charge beginning in the 2015-2016 school year. For the 2015-2016 through 2017-2018 and later school years, school districts may use this online system or may contract with an outside vendor for compliance reporting. ~~Beginning in the 2018-2019 school year and later, school districts must use this online system for compliance reporting.~~

(d) All data on individuals maintained in the statewide reporting system are classified as provided in chapter 13 or other applicable state or federal law. An authorized individual's ability to enter, update, or access data must be limited through the use of role-based access codes corresponding to that individual's official duties or training level, and the statutory authorization that grants access for a particular purpose. Any action in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system must be recorded in an audit trail. The audit trail must identify the specific user responsible for the action, the date and time the action occurred, and the purpose for the action. Data contained in the audit trail maintain the same classification as the underlying data affected by the action, provided the responsible authority makes the data available to a student or the student's parent upon request, and the responsible authority may access the data to audit the system's user activity and security safeguards. Before entering data on a student, the responsible authority must provide the student or the student's parent written notice of the data practices rights and responsibilities required by this section and a reasonable opportunity to refuse consent to have the student's data included in the system. Upon receiving the student or the student's parent written refusal to consent, the school district must not enter data on that student into the system and must delete any existing data on that student currently in the system.

(e) Consistent with this section, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this section. The public Internet Web interface must have a prominently linked page describing the rights and responsibilities of students and parents whose data are included in the statewide reporting system, and include information on the data practices rights of students and parents provided by this section and a form students or parents may use to refuse consent to have a student's data included in the system. The public Internet Web interface must not provide access to the educational records of any individual child.

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

Sec. 15. Minnesota Statutes 2014, section 125A.0942, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

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

(6) the room used for seclusion must:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) By February 1, 2015, and annually thereafter, stakeholders ~~must~~ may, as necessary, recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to 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. 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; 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 the day following final enactment.

Sec. 16. Minnesota Statutes 2014, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02

outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(b) Notwithstanding paragraph (a), when a charter school receiving special education aid under section 124D.11, subdivision 5b, provides special instruction and services for a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.46, subdivision 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced by an amount equal to that calculated under paragraph (a) as if the charter school received aid under section 124D.11, subdivision 5. Notwithstanding paragraph (a), special education aid paid to the charter school providing special instruction and services for the pupil must not be increased by the amount of the reduction in the aid paid to the resident district.

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



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

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

Sec. 17. Minnesota Statutes 2014, section 125A.21, is amended to read:

**125A.21 THIRD-PARTY PAYMENT.**

Subdivision 1. **Obligation to pay.** Nothing in sections 125A.03 to 125A.24 and 125A.65 relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family. A school district shall pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26. Eligible expenditures must not be made from federal funds or funds used to match other federal funds. Any federal disallowances are the responsibility of the school district. A school district may pay or reimburse co-payments, coinsurance, deductibles, and other enrollee cost-sharing amounts, on behalf of the student or family, in connection with health and related services provided under an individual educational plan or individualized family service plan.

Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial and annual written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical assistance or MinnesotaCare for the individualized education program or individualized family service plan health-related services provided by the district. The initial notice must give the child's parent or legal representative the right to request a copy of the child's education records on the health-related services that the district provided to the child and disclosed to a third-party payer.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individualized education program or individualized family service plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individualized education program or individualized family service plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individualized education program or individualized family service plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individualized education program or individualized family service plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health care coverage.

**Subd. 3. Use of reimbursements.** Of the reimbursements received, districts may:

(1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;

(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program or individualized family service plan health-related services; or

(3) reallocate reimbursements for the benefit of students with individualized education programs or individual individualized family service plans in the district.

**Subd. 4. Parents not obligated to use health coverage.** To the extent required by federal law, a school district may not require parents of children with disabilities, if they would incur a financial cost, to use private or public health coverage to pay for the services that must be provided under an individualized education program or individualized family service plan.

**Subd. 5. Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4a; 256B.77, subdivision 2, paragraph (p); and Code of Federal Regulations, title 34, parts 99 and,

300, and 303, to bill health plans for covered services, the school district must notify the legal representative (1) that the cost of the person's private health insurance premium may increase due to providing the covered service in the school setting, (2) that the school district may pay certain enrollee health plan costs, including but not limited to, co-payments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or ~~individual~~ individualized family service plan, and (3) that the school's billing for each type of covered service may affect service limits and prior authorization thresholds. The informed consent may be revoked in writing at any time by the person authorizing the billing of the health plan.

**Subd. 6. District obligation to provide service.** To the extent required by federal law, no school district may deny, withhold, or delay any service that must be provided under an individualized education program or individualized family service plan because a family has refused to provide informed consent to bill a health plan for services or a health plan company has refused to pay any, all, or a portion of the cost of services billed.

**Subd. 7. District disclosure of information.** A school district may disclose information contained in a student's individualized education program, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 and 300, and 303; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual. The school district shall disclose only that information necessary for the health plan company to decide matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

Sec. 18. Minnesota Statutes 2014, section 125A.28, is amended to read:

#### **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law 108-446, section 641. The members must be appointed by the governor and reasonably represent the population of Minnesota. Council members must elect the council chair, who may not be a representative of the Department of Education. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 4, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

~~On the date that Minnesota Part C Annual Performance Report is submitted to~~ Within 30 days of receiving the annual determination from the federal Office of Special Education on the Minnesota Part C Annual Performance Report, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

Annually, the council must prepare and submit a report to the governor and the secretary of the federal Department of Education on the status of early intervention services and programs for infants and toddlers with disabilities and their families under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance report may serve as the report.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council does not expire unless federal law no longer requires the existence of the council or committee.

Sec. 19. Minnesota Statutes 2014, section 125A.63, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) ~~The resource centers department~~ must offer summer institutes or other training programs throughout the state for deaf or hard-of-hearing, blind or visually impaired, and multiply disabled pupils. ~~The resource centers department~~ must also offer workshops for teachers, and leadership development for teachers.

~~A program~~ (b) Training and workshop programs offered through the resource centers under paragraph (a) must help promote and develop education programs offered by school districts or other organizations. ~~The program programs~~ must assist school districts or other organizations to develop innovative programs.

Sec. 20. Minnesota Statutes 2014, section 125A.63, subdivision 3, is amended to read:

Subd. 3. **Programs by nonprofits.** ~~The resource centers department~~ may contract to have nonprofit organizations provide programs through the resource centers under subdivision 2.

Sec. 21. Minnesota Statutes 2014, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** (a) The commissioner shall establish an advisory ~~committee~~ committees for each resource center ~~the deaf and hard-of-hearing and for the blind and visually impaired~~. The advisory committees shall develop recommendations regarding the resource centers and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

(b) The advisory ~~committee for the Resource Center~~ committees for the deaf and hard of hearing and ~~for the blind and visually impaired~~ shall meet periodically at least four times per year and each submit an annual report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard-of-Hearing Minnesotans. The ~~report~~ reports must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing or of blind and visually impaired, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, and the school performance report cards under section 120B.36, subdivision 1; and

(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing or blind and visually impaired children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan.

Sec. 22. Minnesota Statutes 2014, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, ~~the director of the Department of Education Resource Center for Deaf and Hard-of-Hearing~~ deaf and hard-of-hearing state specialist, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education and health, the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, and the advisory council ~~of the Minnesota Department of Education Resource Center~~ for the deaf and hard-of-hearing.

(b) The Department of Education must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

Sec. 23. Minnesota Statutes 2014, section 125A.76, subdivision 1, is amended to read:

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

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

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

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

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

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

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;
- (4) for facilities;
- (5) for pupil transportation; and
- (6) for postemployment benefits.

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

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

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

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

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

(l) "District" means a school district, a charter school, or a cooperative unit as defined in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as defined in section 123A.24, subdivision 2, are eligible to receive special education aid under this section and section 125A.79.

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

Sec. 24. Minnesota Statutes 2014, section 125A.76, subdivision 2c, is amended to read:

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

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

(c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for a school district must not exceed the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, and the product of the district's average daily membership served and the special education aid increase limit.

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

(e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education aid for a school district, not including a charter school or cooperative unit as defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

(f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first year of operation shall generate special education aid based on current year data. A newly formed cooperative unit as defined in section 123A.24 may apply to the commissioner for approval to generate special education aid for its

first year of operation based on current year data, with an offsetting adjustment to the prior year data used to calculate aid for programs at participating school districts or previous cooperatives that were replaced by the new cooperative.

Sec. 25. Minnesota Statutes 2014, section 125A.79, subdivision 1, is amended to read:

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

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

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

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

(3) for fiscal year 2016 and later, the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

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

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

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

(3) the amount of general education revenue and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

(c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding transportation sparsity revenue, local optional revenue, and total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124D.11, subdivision 1, and transportation revenue according to section 124D.11, subdivision 2, excluding referendum equalization aid, transportation sparsity revenue, and operating capital revenue.

Sec. 26. Minnesota Statutes 2014, section 125A.79, subdivision 5, is amended to read:

Subd. 5. **Excess cost aid.** For fiscal year 2016 and later, a district's excess cost aid equals the greater of:

(1) 56 percent of the difference between (i) the district's unreimbursed nonfederal special education expenditures and (ii) 7.0 percent of the product of the ratio of \$5,831 to the formula allowance for the current year and the district's general revenue;



(2) 62 percent of the difference between (i) the district's unreimbursed old formula special education expenditures and (ii) 2.5 percent of the product of the ratio of \$5,831 to the formula allowance for the current year and the district's general revenue; or

(3) zero.

Sec. 27. Minnesota Statutes 2014, section 127A.45, subdivision 3, is amended to read:

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

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0
Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0
Payment 22	May 30:	95.0
Payment 23	June 20:	100.0

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

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

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

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

(d) Notwithstanding paragraph (b), if a charter school is an eligible special education charter school under section 124D.11, subdivision 5a, in addition to the amounts paid under paragraph (a), the commissioner shall pay to a charter school on the dates indicated an amount computed as follows:

<u>Payment 1</u>	<u>July 15: 75 percent of the final adjustment for the prior fiscal year for all aid entitlements</u>
<u>Payment 8</u>	<u>October 30: 25 percent of the final adjustment for the prior fiscal year for all aid entitlements</u>

Sec. 28. Minnesota Statutes 2014, section 127A.47, subdivision 7, is amended to read:

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

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (e) (d), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received

by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

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

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

(e) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced under paragraph (d) for students at a charter school receiving special education aid under section 124D.11, subdivision 5b, calculated as if the charter school received special education aid under section 124D.11, subdivision 5.

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

(g) Notwithstanding paragraph (a), general education aid paid to the resident district of a nonspecial education student for whom an eligible special education charter school receives general education aid under section 124D.11, subdivision 1, paragraph (b), must be reduced by an amount equal to the difference between the general education aid attributable to the student under section 124D.11, subdivision 1, paragraph (b), and the general education aid that the student would have generated for the charter school under section 124D.11, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial education student" means a student who does not meet the definition of pupil with a disability, as defined in section 125A.02 or the definition of a pupil in section 125A.51.

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

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

## Sec. 29. **SPECIAL EDUCATION EVALUATION.**

Subdivision 1. **Special education teachers' compliance with legal requirements.** The Department of Education must identify ways to give teachers working with eligible children with disabilities sufficient written and online resources to make informed decisions about how to effectively comply with legal requirements related to providing special education programs and services, including writing individualized education programs and related documents, among other requirements. The department must work col-

laboratively with teachers working with eligible children with disabilities, other school and district staff, and representatives of affected organizations, including Education Minnesota, Minnesota School Boards Association, and Minnesota Administrators of Special Education, among others, to identify obstacles to and solutions for teachers' confusion about complying with legal requirements governing special education programs and services. The department must work with schools and districts to provide staff development training to better comply with applicable legal requirements while meeting the educational needs and improving the educational progress of eligible children with disabilities.

**Subd. 2. Efficiencies to reduce paperwork.** The Department of Education, in collaboration with teachers and administrators working with eligible children with disabilities in schools and districts, must identify strategies to effectively decrease the amount of time teachers spend completing paperwork for special education programs and services, evaluate whether the strategies are cost-effective, and determine whether other schools and districts are able to effectively use the strategies given available staff and resources. Where an evaluation shows that particular paperwork reduction strategies are cost-effective without undermining the purpose of the paperwork or the integrity of special education requirements, the department must electronically disseminate and promote the strategies to other schools and districts throughout the state.

**Subd. 3. Special education forms; reading level.** The Department of Education must determine the current reading level of its special education forms, establish a target reading level for such forms, and, based on that target level, determine whether alternative forms are needed to accommodate the lexical and sublexical cognitive processes of individual form users and readers. The department must work with interested special education stakeholders and reading experts in making the determinations and identification required in this subdivision.

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

### Sec. 30. **APPROPRIATIONS.**

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

**Subd. 2. Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	<u>1,170,877,000</u>	.....	<u>2016</u>
\$	<u>1,229,758,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$137,932,000 for 2015 and \$1,032,945,000 for 2016.

The 2017 appropriation includes \$145,407,000 for 2016 and \$1,084,351,000 for 2017.

**Subd. 3. Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	<u>361,000</u>	.....	<u>2016</u>
\$	<u>371,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$35,000 for 2015 and \$326,000 for 2016.

The 2017 appropriation includes \$36,000 for 2016 and \$335,000 for 2017.

**Subd. 4. Special education out-of-state tuition.** For special education out-of-state tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

\$	<u>250,000</u>	.....	<u>2016</u>
\$	<u>250,000</u>	.....	<u>2017</u>

**Subd. 5. Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	<u>1,406,000</u>	.....	<u>2016</u>
\$	<u>1,629,000</u>	.....	<u>2017</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available.

**Subd. 6. Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

\$	<u>56,000</u>	.....	<u>2016</u>
\$	<u>57,000</u>	.....	<u>2017</u>

Sec. 31. **REPEALER.**

Minnesota Statutes 2014, section 125A.63, subdivision 1, is repealed.

## ARTICLE 6

### FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 1, is amended to read:

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

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, and lease purchase payments under section 126C.40, subdivision 2, ~~alternative facilities levies under section 123B.59, subdivision 5, paragraph (a),~~ excluding long-term facilities maintenance levies under section 123B.595, minus

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

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

(1) obligations under section 123B.61;

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

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

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

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

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt 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.53, subdivision 4, is amended to read:

Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization revenue of a district equals the sum of the first tier debt service equalization revenue and the second tier debt service equalization revenue.

(b) The first tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue minus the amount raised by a levy of 15.74 percent times the adjusted net tax capacity of the district minus the second tier debt service equalization revenue of the district.

(c) The second tier debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, ~~excluding alternative facilities levies under section 123B.59, subdivision 5,~~ minus the amount raised by a levy of 26.24 percent times the adjusted net tax capacity of the district.

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

Sec. 3. Minnesota Statutes 2014, section 123B.57, is amended to read:

**123B.57 CAPITAL EXPENDITURE; HEALTH AND SAFETY.**

~~Subdivision 1. **Health and safety revenue application.** (a) To receive health and safety revenue for any fiscal year a district must submit to the commissioner a capital expenditure health and safety revenue application by the date determined by the commissioner. The application must include a health and safety budget adopted and confirmed by the school district board as being consistent with the district's health and safety policy under subdivision 2. The budget must include the estimated cost of the program per Uniform Financial Accounting and Reporting Standards (UFARS) finance code, by fiscal year. Upon approval through the adoption of a resolution by each of an intermediate district's member school district boards and the approval of the Department of Education, a school district may include its proportionate share of the costs of health and safety projects for an intermediate district in its application.~~

(b) Health and safety projects with an estimated cost of \$500,000 or more per site are not eligible for health and safety revenue. Health and safety projects with an estimated cost of \$500,000 or more per site

that meet all other requirements for health and safety funding, are eligible for alternative facilities bonding and levy revenue according to section 123B.59. A school board shall not separate portions of a single project into components to qualify for health and safety revenue, and shall not combine unrelated projects into a single project to qualify for alternative facilities bonding and levy revenue.

(e) The commissioner of education shall not make eligibility for health and safety revenue contingent on a district's compliance status, level of program development, or training. The commissioner shall not mandate additional performance criteria such as training, certifications, or compliance evaluations as a prerequisite for levy approval.

**Subd. 2. Health and safety policy.** To qualify for health and safety revenue, a school board must adopt a health and safety policy. The policy 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.

**Subd. 3. Health and safety revenue.** A district's health and safety revenue for a fiscal year equals the district's alternative facilities levy under section 123B.59, subdivision 5, paragraph (b), plus the greater of zero or:

(1) the sum of (a) the total approved cost of the district's hazardous substance plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's health and safety program for fiscal year 1990 through the fiscal year to which the levy is attributable, excluding expenditures funded with bonds issued under section 123B.59 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or 6; and other federal, state, or local revenues, minus

(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years 1985 through 1989 under sections 124.245 and 275.125, subdivision 11e, plus (b) the district's health and safety revenue under this subdivision, for years before the fiscal year to which the levy is attributable.

**Subd. 4. Health and safety levy.** To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the adjusted pupil units in the district for the school year to which the levy is attributable, to \$3,165.

**Subd. 5. Health and safety aid.** A district's health and safety aid is the difference between its health and safety revenue and its health and safety levy. If a district does not levy the entire amount permitted, health and safety aid must be reduced in proportion to the actual amount levied. Health and safety aid may not be reduced as a result of reducing a district's health and safety levy according to section 123B.79.

**Subd. 6. Uses of Health and safety revenue capital projects.** (a) Health and safety revenue may be used only for approved capital projects may include expenditures necessary for the correction of fire and life safety hazards; design, purchase, installation, maintenance, and inspection of fire protection and alarm equipment; purchase or construction of appropriate facilities for the storage of combustible and flammable materials; inventories and facility modifications not related to a remodeling project to comply with lab safety requirements under section 121A.31; inspection, testing, repair, removal or encapsulation, and disposal of asbestos-containing building materials; cleanup and disposal of polychlorinated biphenyls; cleanup and disposal of hazardous and infectious wastes; cleanup, removal, disposal, and repairs related

to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01; correction of occupational safety and health administration regulated hazards; indoor air quality inspections, investigations, and testing; mold abatement; upgrades or replacement of mechanical ventilation systems to meet American Society of Heating, Refrigerating and Air Conditioning Engineers standards and State Mechanical Code; design, materials, and installation of local exhaust ventilation systems, including required make-up air for controlling regulated hazardous substances; correction of Department of Health Food Code violations; correction of swimming pool hazards excluding depth correction; playground safety inspections, repair of unsafe outdoor playground equipment, and the installation of impact surfacing materials; bleacher repair or rebuilding to comply with the order of a building code inspector under section 326B.112; testing and mitigation of elevated radon hazards; lead testing; copper in water testing; cleanup after major weather-related disasters or flooding; reduction of excessive organic and inorganic levels in wells and capping of abandoned wells; installation and testing of boiler backflow valves to prevent contamination of potable water; vaccinations, titers, and preventative supplies for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents' Right to Know Act; automated external defibrillators and other emergency plan equipment and supplies specific to the district's emergency action plan; compliance with the National Emission Standards for Hazardous Air Pollutants for school generators established by the United States Environmental Protection Agency; and health, safety, and environmental management costs associated with implementing the district's health and safety program including costs to establish and operate safety committees, in school buildings or property owned or being acquired by the district. Testing and calibration activities are permitted for existing mechanical ventilation systems at intervals no less than every five years.

(b) For fiscal years 2014 through 2017, a school district must not include expenses related to emission compliance projects for school generators in its health and safety revenue capital projects unless it reduces its approved spending on other qualified health and safety projects by the same amount.

~~Subd. 6a. **Restrictions on health and safety revenue.** Notwithstanding subdivision 6, health and safety revenue must not be used:~~

~~(1) to finance a lease purchase agreement, installment purchase agreement, or other deferred payments agreement;~~

~~(2) for the construction of new facilities, remodeling of existing facilities, or the purchase of portable classrooms;~~

~~(3) for interest or other financing expenses;~~

~~(4) 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;~~

~~(5) for replacement of building materials or facilities including roof, walls, windows, internal fixtures and flooring, nonhealth and safety costs associated with demolition of facilities, structural repair or replacement of facilities due to unsafe conditions, violence prevention and facility security, ergonomics, or public announcement systems and emergency communication devices; or~~

~~(6) for building and heating, ventilating and air conditioning supplies, maintenance, and cleaning activities. All assessments, investigations, inventories, and support equipment not leading to the engineering or construction of a project shall be included in the health, safety, and environmental management costs in subdivision 8, paragraph (a).~~



~~Subd. 6b. **Health and safety projects.** (a) Health and safety revenue applications defined in subdivision 1 must be accompanied by a description of each project for which funding is being requested. Project descriptions must provide enough detail for an auditor to determine if the work qualifies for revenue. For projects other than fire and life safety projects, playground projects, and health, safety, and environmental management activities, a project description does not need to include itemized details such as material types, room locations, square feet, names, or license numbers. The commissioner may request supporting information and shall approve only projects that comply with subdivisions 6 and 8, as defined by the Department of Education.~~

~~(b) Districts may request funding for allowable projects based on self-assessments, safety committee recommendations, insurance inspections, management assistance reports, fire marshal orders, or other mandates. Notwithstanding subdivision 1, paragraph (b), and subdivision 8, paragraph (b), for projects under \$500,000, individual project size for projects authorized by this subdivision is not limited and may include related work in multiple facilities. Health and safety management costs from subdivision 8 may be reported as a single project.~~

~~(c) All costs directly related to a project shall be reported in the appropriate Uniform Financial Accounting and Reporting Standards (UFARS) finance code.~~

~~(d) For fire and life safety egress and all other projects exceeding \$20,000, cited under the Minnesota Fire Code, a fire marshal plan review is required.~~

~~(e) Districts shall update project estimates with actual expenditures for each fiscal year. If a project's final cost is significantly higher than originally approved, the commissioner may request additional supporting information.~~

~~Subd. 6c. **Appeals process.** In the event a district is denied funding approval for a project the district believes complies with subdivisions 6 and 8, and is not otherwise excluded, a district may appeal the decision. All such requests must be in writing. The commissioner shall respond in writing. A written request must contain the following: project number; description and amount; reason for denial; unresolved questions for consideration; reasons for reconsideration; and a specific statement of what action the district is requesting.~~

~~Subd. 7. **Proration.** In the event that the health and safety aid available for any year is prorated, a district having its aid prorated may levy an additional amount equal to the amount not paid by the state due to proration.~~

~~Subd. 8. **Health, safety, and environmental management cost.** (a) "Health, safety, and environmental management" is defined in section 123B.56.~~

~~(b) A district's cost for health, safety, and environmental management is limited to the lesser of:~~

~~(1) actual cost to implement their plan; or~~

~~(2) an amount determined by the commissioner, based on enrollment, building age, and size.~~

~~(c) The department may contract with regional service organizations, private contractors, Minnesota Safety Council, or state agencies to provide management assistance to school districts for health and safety capital projects. Management assistance is the development of written programs for the identification,~~

recognition and control of hazards, and prioritization and scheduling of district health and safety capital projects. The commissioner shall not mandate management assistance or exclude private contractors from the opportunity to provide any health and safety services to school districts.

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

**Sec. 4. [123B.595] LONG-TERM FACILITIES MAINTENANCE REVENUE.**

**Subdivision 1. Long-term facilities maintenance revenue.** (a) For fiscal year 2017 only, long-term facilities maintenance revenue equals the greater of (1) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site or (2) the sum of the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591.

(b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) \$292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site or (2) the sum of the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591.

(c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals the greater of (1) \$380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site or (2) the sum of the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591.

**Subd. 2. Long-term facilities maintenance revenue for a charter school.** (a) For fiscal year 2017 only, long-term facilities maintenance revenue for a charter school equals \$34 times the adjusted pupil units.

(b) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter school equals \$85 times the adjusted pupil units.

(c) For fiscal year 2019 and later, long-term facilities maintenance revenue for a charter school equals \$132 times the adjusted pupil units.

**Subd. 3. Intermediate districts and other cooperative units.** Upon approval through the adoption of a resolution by each member district school board of an intermediate district or other cooperative units under section 123A.24, subdivision 2, and the approval of the commissioner of education, a school district may include in its authority under this section a proportionate share of the long-term maintenance costs of the intermediate district or cooperative unit. The cooperative unit may issue bonds to finance the project costs or levy for the costs, using long-term maintenance revenue transferred from member districts to make debt service payments or pay project costs. Authority under this subdivision is in addition to the authority for individual district projects under subdivision 1.

**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 plan to the commissioner, 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.

**Subd. 5. Bond authorization.** (a) A school district may issue general obligation bonds under this section to finance facilities plans approved by its board and the commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

(b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or the final certification of levies under subdivision 6, the district must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) The portion of revenue under this section for bonded debt must be recognized in the debt service fund.

**Subd. 6. Levy authorization.** A district may levy for costs related to an approved plan under subdivision 4 as follows:

(1) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued under subdivision 5 after reduction for any aid receivable under subdivision 9;

(2) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan after reduction for any aid receivable under subdivision 9; or

(3) if the debt service revenue for a district required to pay the principal and interest on bonds issued under subdivision 5 exceeds the district's long-term facilities maintenance revenue for the same fiscal year, the district's general fund levy must be reduced by the amount of the excess.

**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.

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 revenue minus the greater of:

(1) 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; 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 in the year preceding the year the levy is certified.

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

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

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

(2) increasing accessibility of school facilities; or

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

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

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

Subd. 12. **Reserve account.** The portion of long-term facilities maintenance revenue not recognized under subdivision 5, paragraph (c), must be maintained in a reserve account within the general fund.

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

Sec. 5. Minnesota Statutes 2014, section 125B.26, subdivision 2, is amended to read:

Subd. 2. **E-rates.** To be eligible for aid under this section, a district, charter school, or intermediate school district is required to file an e-rate application either separately or through its telecommunications

access cluster and have a current technology plan on file with the department. Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid under this section.

Sec. 6. Minnesota Statutes 2014, section 126C.01, subdivision 2, is amended to read:

Subd. 2. **Adjusted net tax capacity.** (a) Except as provided in paragraph (b), "adjusted net tax capacity" means the net tax capacity of the taxable property of the district as adjusted by the commissioner of revenue under sections 127A.48 and 273.1325. The adjusted net tax capacity for any given calendar year must be used to compute levy limitations for levies certified in the succeeding calendar year and aid for the school year beginning in the second succeeding calendar year.

(b) For purposes of the long-term maintenance facilities equalization levy under section 123B.595, subdivision 8, "adjusted net tax capacity" means the value described in paragraph (a) reduced by 50 percent of the value of class 2a agricultural land determined under that paragraph before the application of the growth limit under section 127A.48, subdivision 7.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and later.

Sec. 7. Minnesota Statutes 2014, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

(1) the United States and its agencies and instrumentalities;

(2) school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

(3) hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

(4) notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

(5) other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

(6) public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

(1) building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

(2) construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;

(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic beverages purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, ~~2016~~ 2017, local governments means statutory or home rule charter cities, counties, and townships; and

~~(2) for the period of January 1, 2016, to December 31, 2016, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465, except for the Metropolitan Council under sections 473.123 to 473.549; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59; and~~

~~(3)~~ (2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

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

#### Sec. 8. COMMISSIONER OF EDUCATION; 1:1 DEVICE PROGRAM GUIDELINES.

The commissioner of education must research existing 1:1 device programs in Minnesota and across the country to determine best practices for Minnesota schools implementing 1:1 device programs. By February 15, 2016, the commissioner must develop and publish guidelines to ensure maximum effectiveness of 1:1 device programs and make a report on the research findings to the committees of the legislature with jurisdiction over kindergarten through grade 12 education.

#### Sec. 9. FAIR SCHOOL CRYSTAL TRANSITION.

Subdivision 1. Student enrollment. A student enrolled in the FAIR School Crystal during the 2014-2015 school year and a student accepted for enrollment during the 2015-2016 school year may continue to enroll in the FAIR School Crystal in any year through the 2019-2020 school year. For the

2015-2016 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

**Subd. 2. Compensatory revenue; literacy aid; alternative compensation revenue.** For the 2015-2016 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR School Crystal based on the October 1, 2014, enrollment counts.

**Subd. 3. Pupil transportation.** The district may transport a pupil enrolled in the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school year to and from the FAIR School Crystal in succeeding school years regardless of the pupil's district of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

**EFFECTIVE DATE.** This section is effective the day following the date on which the real and personal property of the FAIR School Crystal in Crystal is conveyed to Independent School District No. 281, Robbinsdale.

#### Sec. 10. **FAIR SCHOOL DOWNTOWN TRANSITION.**

**Subdivision 1. Student enrollment.** A student enrolled in the FAIR School downtown during the 2014-2015 school year and a student accepted for enrollment during the 2015-2016 school year may continue to enroll in the FAIR School downtown in any year through the 2018-2019 school year. For the 2015-2016 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

**Subd. 2. Compensatory revenue; literacy aid; alternative compensation revenue.** For the 2015-2016 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR School downtown based on the October 1, 2014, enrollment counts.

**Subd. 3. Pupil transportation.** The district may transport a pupil enrolled in the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school year to and from the FAIR School downtown in succeeding school years regardless of the pupil's district of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

**EFFECTIVE DATE.** This section is effective the day following the date on which the real and personal property of the FAIR School downtown in Minneapolis is conveyed to Special School District No. 1, Minneapolis.

#### Sec. 11. **INFORMATION TECHNOLOGY CERTIFICATION PARTNERSHIP.**

**Subdivision 1. Request for proposals.** The commissioner of education shall issue a request for proposals no later than July 1, 2015, and award a contract no later than September 1, 2015, to a provider for the program under subdivision 3.

**Subd. 2. Eligible schools.** A school district, intermediate district, or charter school is eligible to participate in the program under this section, as long as funds are available.

**Subd. 3. Program description; provider duties.** (a) The provider must partner with eligible schools to make available a program to teach information technology skills and competencies that are essential for

career and college readiness. By December 1, 2015, the provider must contact each eligible school and indicate how the school can access program services under this section.

(b) The provider shall recruit up to 200 schools to participate in the program as long as funds are available. The provider must engage schools on a first-come, first-served basis, except that no more than half of the total funds available may be used to deliver the program to schools located in the seven-county metropolitan area.

(c) The provider shall deliver to each participating school:

(1) a research-based information technology curriculum;

(2) online access to the curriculum;

(3) instructional software for classroom and student use;

(4) training for teachers who will be using the curriculum or instructional software;

(5) industry-recognized certification of skills and competencies in a broad array of information technology-related skill areas; and

(6) project management, deployment, and program support, including, but not limited to, integration with academic standards under Minnesota Statutes, section 120B.021 or 120B.022.

Subd. 4. **Department support.** The Department of Education must make support available to the provider, including acting as the primary liaison between schools and the provider and providing direction and oversight, consistent with the purposes of this section.

Subd. 5. **Report required.** By February 1, 2018, the provider and commissioner must jointly develop and deliver to the committees of the legislature with jurisdiction over kindergarten through grade 12 education, a summary report on program activities and outcomes, including a description of the number and location of participating schools and students, and the number and type of certifications earned by students.

## Sec. 12. **CANCELLATION OF PREVIOUS BIENNIUM APPROPRIATION.**

The appropriation made by Laws 2014, chapter 312, article 16, section 16, subdivision 5, is canceled.

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

## Sec. 13. **APPROPRIATIONS.**

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

Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance equalization aid under Minnesota Statutes, section 123B.595:

<u>\$</u>	<u>0</u>	<u>.....</u>	<u>2016</u>
<u>\$</u>	<u>52,088,000</u>	<u>.....</u>	<u>2017</u>



The 2017 appropriation includes \$0 for 2016 and \$52,088,000 for 2017.

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

\$	<u>20,349,000</u>	.....	<u>2016</u>
\$	<u>22,171,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

The 2017 appropriation includes \$2,005,000 for 2016 and \$20,166,000 for 2017.

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

\$	<u>19,287,000</u>	.....	<u>2016</u>
\$	<u>1,928,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,928,000 for 2015 and \$17,359,000 for 2016.

The 2017 appropriation includes \$1,928,000 for 2016 and \$0 for 2017.

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

\$	<u>3,750,000</u>	.....	<u>2016</u>
\$	<u>3,750,000</u>	.....	<u>2017</u>

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2016 and 2017 shall be prorated.

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

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

\$	<u>3,520,000</u>	.....	<u>2016</u>
\$	<u>345,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$409,000 for 2015 and \$3,111,000 for 2016.

The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

Subd. 7. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

\$	<u>501,000</u>	.....	<u>2016</u>
\$	<u>48,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$66,000 for 2015 and \$435,000 for 2016.

The 2017 appropriation includes \$48,000 for 2016 and \$0 for 2017.

**Subd. 8. Information technology certification partnership.** For an information technology certification partnership:

\$	500,000	.....	2016
\$	0	.....	2017

This is a onetime appropriation. Any balance in the first year does not cancel but is available in the second year. Of this appropriation, five percent is for departmental costs related to providing support for the information technology certification partnership.

**Subd. 9. Innovative Technology Cooperative.** For a grant to the Innovative Technology Cooperative under Minnesota Statutes, section 123A.215, to provide professional development related to technology:

\$	150,000	.....	2016
\$	150,000	.....	2017

Any balance in the first year does not cancel but is available in the second year. The base for this program in fiscal year 2018 is \$0.

Sec. 14. **REPEALER.**

Minnesota Statutes 2014, sections 123B.59; and 123B.591, are repealed.

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

## ARTICLE 7

### NUTRITION AND ACCOUNTING

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

Subdivision 1. **Distribution of assets and liabilities.** (a) If a district withdraws from a cooperative unit defined in subdivision 2, the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(b) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to section 123B.02, subdivision 3. The district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(c) If the cooperative unit and the district cannot agree on the terms and conditions, the commissioner shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. If the dispute requires the commissioner to involve an administrative law judge, any fees due to the Office of Administrative Hearings must be equally split between the district and cooperative unit. The assets must be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(d) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (c).

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

Sec. 2. Minnesota Statutes 2014, section 123B.77, subdivision 3, is amended to read:

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

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

Sec. 3. Minnesota Statutes 2014, section 125A.75, subdivision 9, is amended to read:

Subd. 9. **Litigation costs; annual report.** (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By ~~January 15~~ February 1 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 4. Minnesota Statutes 2014, section 127A.05, subdivision 6, is amended to read:

Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature by ~~January 15~~ February 1 of each odd-numbered year on the status of teacher early retirement patterns, the teacher shortage, and the substitute teacher shortage, including patterns and shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage and a five-year projection of teacher demand for each district.

Sec. 5. Minnesota Statutes 2014, section 127A.49, subdivision 1, is amended to read:

Subdivision 1. **Omissions.** No adjustments to any aid payments made pursuant to this chapter or chapters 120B, 122A, 123A, 123B, 124D, 125A, and 126C resulting from omissions in district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December 30 15 of the next school year, unless otherwise specifically provided by law.

Sec. 6. Laws 2013, chapter 116, article 7, section 19, is amended to read:

Sec. 19. **FUND TRANSFER; FISCAL YEARS YEAR 2014 AND 2015 THROUGH FISCAL YEAR 2017 ONLY.**

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years year 2014 and 2015 through fiscal year 2017 only, the commissioner must approve a request for a fund transfer if the

transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund, the food service fund, or the reserved account for staff development under section 122A.61.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

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

Sec. 7. **APPROPRIATIONS.**

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

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

\$	<u>15,661,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>15,818,000</u>	<u>.....</u>	<u>2017</u>

**Subd. 3. School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	<u>9,731,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>10,361,000</u>	<u>.....</u>	<u>2017</u>

**Subd. 4. Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	<u>942,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>942,000</u>	<u>.....</u>	<u>2017</u>

**Subd. 5. Summer school service replacement aid.** For summer food service replacement aid under Minnesota Statutes, section 124D.119:

\$	<u>150,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>150,000</u>	<u>.....</u>	<u>2017</u>

## ARTICLE 8

### LIBRARIES

Section 1. Minnesota Statutes 2014, section 134.355, subdivision 8, is amended to read:

**Subd. 8. Eligibility.** A regional public library system may apply for regional library telecommunications aid. The aid must be used for data and video access maintenance, equipment, or installation of telecommunication lines. on behalf of itself and member public libraries. The aid must be used for connections and other eligible nonvoice related e-rate program category one services. Aid may be used for e-rate program category two services as identified in the Federal Communication Commission's eligible services list for the current and preceding four funding years, if sufficient funds remain once category one needs are met

in each funding year. To be eligible, a regional public library system must be officially designated by the commissioner of education as a regional public library system as defined in section 134.34, subdivision 3, and each of its participating cities and counties must meet local support levels defined in section 134.34, subdivision 1. A public library building that receives aid under this section must be open a minimum of 20 hours per week. Exceptions to the minimum open hours requirement may be granted by the Department of Education on request of the regional public library system for the following circumstances: short-term closing for emergency maintenance and repairs following a natural disaster; in response to exceptional economic circumstances; building repair or maintenance that requires public services areas to be closed; or to adjust hours of public service to respond to documented seasonal use patterns.

Sec. 2. Minnesota Statutes 2014, section 134.355, subdivision 9, is amended to read:

Subd. 9. **Telecommunications aid.** An application for regional library telecommunications aid must, at a minimum, contain information to document the following:

(1) the connections are adequate and employ an open network architecture that will ensure inter-connectivity and interoperability with school districts, postsecondary education, or other governmental agencies;

(2) that the connection is established through the most cost-effective means and that the regional library has explored and coordinated connections through school districts, postsecondary education, or other governmental agencies;

(3) that the regional library system ~~has~~ and member libraries included in the application have filed or are included in an e-rate application; and

(4) other information, as determined by the commissioner of education, to ensure that connections are coordinated, efficient, and cost-effective, take advantage of discounts, and meet applicable state standards.

The library system may include costs associated with cooperative arrangements with postsecondary institutions, school districts, and other governmental agencies.

Sec. 3. Minnesota Statutes 2014, section 134.355, subdivision 10, is amended to read:

Subd. 10. **Award of funds.** The commissioner of education shall develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs ~~of including, but not limited to,~~ connections, as documented in e-rate funding commitment decision letters for category one services and acceptable documentation for category two services and funds available for this purpose. The commissioner shall make payments directly to the regional public library system.

Sec. 4. **APPROPRIATIONS.**

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

Subd. 2. **Basic system support.** For basic system support aid under Minnesota Statutes, section 134.355:

\$	<u>13,570,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>13,570,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$1,357,000 for 2015 and \$12,213,000 for 2016.

The 2017 appropriation includes \$1,357,000 for 2016 and \$12,213,000 for 2017.

Subd. 3. **Multicounty, multitype library systems.** For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$	<u>1,300,000</u>	.....	<u>2016</u>
\$	<u>1,300,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$130,000 for 2015 and \$1,170,000 for 2016.

The 2017 appropriation includes \$130,000 for 2016 and \$1,170,000 for 2017.

Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

\$	<u>900,000</u>	.....	<u>2016</u>
\$	<u>900,000</u>	.....	<u>2017</u>

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

Subd. 5. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

\$	<u>2,300,000</u>	.....	<u>2016</u>
\$	<u>2,300,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$230,000 for 2015 and \$2,070,000 for 2016.

The 2017 appropriation includes \$230,000 for 2016 and \$2,070,000 for 2017.

## ARTICLE 9

### EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2014, section 121A.17, subdivision 5, is amended to read:

Subd. 5. **Developmental screening program information.** (a) The board must inform each resident family with a child eligible to participate in the developmental screening program, and a charter school that provides screening must inform families that apply for admission to the charter school, about the availability of the program and the state's requirement that a child receive a developmental screening or provide health records indicating that the child received a comparable developmental screening from a public or private health care organization or individual health care provider not later than 30 days after the first day of attending kindergarten in a public school. A school district must inform all resident families with eligible children under age seven, and a charter school that provides screening must inform families that apply for admission to the charter school, that their children may receive a developmental screening conducted either by the school district or by a public or private health care organization or individual health care provider and that the screening is not required if a statement signed by the child's parent or guardian is submitted

to the administrator or other person having general control and supervision of the school that the child has not been screened.

(b) A school district that enrolls students from an adjoining state under section 124D.041 may inform a nonresident child whose family resides at a Minnesota address as assigned by the United States Postal Service about the availability of the developmental screening program and may provide screening under this section to that child.

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

Sec. 2. Minnesota Statutes 2014, section 124D.041, subdivision 1, is amended to read:

Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement with the designated authority from an adjoining state to establish an enrollment options program between Minnesota and the adjoining state. Any agreement entered into pursuant to this section must specify the following:

(1) for students who are not residents of Minnesota, the enrollment options program applies only to a student whose resident school district borders Minnesota;

(2) the commissioner must negotiate equal, reciprocal rates with the designated authority from the adjoining state;

(3) if the adjoining state sends more students to Minnesota than Minnesota sends to the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed upon under clause (2) for the excess number of students sent to Minnesota;

(4) if Minnesota sends more students to the adjoining state than the adjoining state sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed upon under clause (2) for the excess number of students sent to the adjoining state;

(5) the application procedures for the enrollment options program between Minnesota and the adjoining state;

(6) the reasons for which an application for the enrollment options program between Minnesota and the adjoining state may be denied; and

(7) that a Minnesota school district is not responsible for transportation for any resident student attending school in an adjoining state under the provisions of this section. A Minnesota school district may, at its discretion, provide transportation services for such a student.

(b) Any agreement entered into pursuant to this section may specify additional terms relating to any student in need of special education and related services pursuant to chapter 125A, including early childhood special education services. Any additional terms must apply equally to both states.

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

Sec. 3. Minnesota Statutes 2014, section 124D.041, subdivision 2, is amended to read:

Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in Minnesota pursuant to this section is included in the receiving school district's average daily membership and pupil units according

to section 126C.05 as if the student were a resident of another Minnesota school district attending the receiving school district under section 124D.03.

(b) Any Minnesota resident student enrolled in an adjoining state pursuant to this section is included in the resident school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of the district attending another Minnesota school district under section 124D.03.

(c) A prekindergarten child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service and is receiving early childhood special education services from a Minnesota school district is considered enrolled in a Minnesota school district.

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

Sec. 4. Minnesota Statutes 2014, section 124D.15, subdivision 5, is amended to read:

Subd. 5. **Services with new or existing providers.** A district may contract with a charter school or community-based organization to provide eligible children developmentally appropriate services that meet the program requirements in subdivision 3. In the alternative, a district may pay tuition or fees to place an eligible child in an existing program. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. ~~Districts must submit a copy of each contract to the commissioner with the biennial plan.~~ Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not restrict participation to district residents.

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

Sec. 5. Minnesota Statutes 2014, section 124D.16, subdivision 2, is amended to read:

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

(b) A district must receive school readiness aid equal to:

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

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

(c) For fiscal year 2015 and later, The total school readiness aid entitlement equals \$12,170,000 \$23,558,000 for fiscal year 2016 and \$33,683,000 for fiscal year 2017 and later.

Sec. 6. Minnesota Statutes 2014, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and



(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

(d) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(e) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(f) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

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

Sec. 7. Minnesota Statutes 2014, section 125A.03, is amended to read:

**125A.03 SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.**

(a) As defined in paragraph (b), every district must provide special instruction and services, either within the district or in another district, for all children with a disability, including providing required services under Code of Federal Regulations, title 34, section 300.121, paragraph (d), to those children suspended or expelled from school for more than ten school days in that school year, who are residents of the district and who are disabled as set forth in section 125A.02. For purposes of state and federal special education laws, the phrase "special instruction and services" in the state Education Code means a free and appropriate public education provided to an eligible child with disabilities. "Free appropriate public education" means special education and related services that:

(1) are provided at public expense, under public supervision and direction, and without charge;

(2) meet the standards of the state, including the requirements of the Individuals with Disabilities Education Act, Part B or C;

(3) include an appropriate preschool, elementary school, or secondary school education; and

(4) are provided to children ages three through 21 in conformity with an individualized education program that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 300.320 to 300.324, and provided to infants and toddlers in conformity with an individualized family service plan that meets the requirements of the Individuals with Disabilities Education Act, subpart A, sections 303.300 to 303.346.

(b) Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until July 1 after the child with a disability becomes 21 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 124D.68, subdivision 2. Local health, education, and social service agencies must refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the commissioner must cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This section does not alter the compulsory attendance requirements of section 120A.22.

(c) At the board's discretion, a school district that participates in a reciprocity agreement with a neighboring state under section 124D.041 may enroll and provide special instruction and services to a child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service if the district has completed child identification procedures for that child to determine the child's eligibility for special education services, and the child has received developmental screening under sections 121A.16 to 121A.19.

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

## Sec. 8. **APPROPRIATIONS.**

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

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

\$	<u>22,420,000</u>	.....	<u>2016</u>
\$	<u>32,670,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,217,000 for 2015 and \$21,203,000 for 2016.

The 2017 appropriation includes \$2,355,000 for 2016 and \$30,315,000 for 2017.

Subd. 3. **Early learning scholarships.** For the early learning scholarship program under Minnesota Statutes, section 124D.165:

\$	<u>38,134,000</u>	.....	<u>2016</u>
\$	<u>48,384,000</u>	.....	<u>2017</u>

Up to \$950,000 each year is for administration of this program.

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

**Subd. 4. Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

\$	<u>20,100,000</u>	.....	<u>2016</u>
\$	<u>20,100,000</u>	.....	<u>2017</u>

**Subd. 5. Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	<u>28,220,000</u>	.....	<u>2016</u>
\$	<u>29,915,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$2,713,000 for 2015 and \$25,507,000 for 2016.

The 2017 appropriation includes \$2,834,000 for 2016 and \$27,081,000 for 2017.

**Subd. 6. Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$	<u>3,363,000</u>	.....	<u>2016</u>
\$	<u>3,369,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$338,000 for 2015 and \$3,025,000 for 2016.

The 2017 appropriation includes \$336,000 for 2016 and \$3,033,000 for 2017.

**Subd. 7. Parent-child home program.** For a grant to the parent-child home program:

\$	<u>350,000</u>	.....	<u>2016</u>
\$	<u>350,000</u>	.....	<u>2017</u>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2016 and 2017.

**Subd. 8. Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$	<u>281,000</u>	.....	<u>2016</u>
\$	<u>281,000</u>	.....	<u>2017</u>

**Subd. 9. Quality Rating System.** For transfer to the commissioner of human services for the purposes of expanding the Quality Rating and Improvement System under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the Quality Rating and Improvement System:

\$	<u>1,200,000</u>	.....	<u>2016</u>
\$	<u>2,300,000</u>	.....	<u>2017</u>

Any balance in the first year does not cancel but is available in the second year. The base for this program in fiscal year 2018 and later is \$1,750,000.

**Subd. 10. Early childhood programs at tribal schools.** For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

\$	<u>68,000</u>	.....	<u>2016</u>
\$	<u>68,000</u>	.....	<u>2017</u>

**Subd. 11. Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$	<u>49,000</u>	.....	<u>2016</u>
\$	<u>49,000</u>	.....	<u>2017</u>

## ARTICLE 10

### PREVENTION

Section 1. Minnesota Statutes 2014, section 121A.17, subdivision 3, is amended to read:

**Subd. 3. Screening program.** (a) A screening program must include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, the date of the child's most recent comprehensive vision examination, if any, identification of risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The district and the person performing or supervising the screening must provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice must state "Early childhood developmental screening helps a school district identify children who may benefit from district and community resources available to help in their development. Early childhood developmental screening includes a vision screening that helps detect potential eye problems but is not a substitute for a comprehensive eye exam." The notice must clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the district and the person performing or supervising the screening must convey the information in another manner. The notice must also inform the parent or guardian that a child need not submit to the district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice must be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and must be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. A developmental screening program must not provide laboratory tests or a physical examination to any child. The district must request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening. For the purposes of this section, "comprehensive vision examination" means a vision examination performed by an optometrist or ophthalmologist.

(c) If a child is without health coverage, the school district must refer the child to an appropriate health care provider.

(d) A board may offer additional components such as nutritional, physical and dental assessments, review of family circumstances that might affect development, blood pressure, laboratory tests, and health history.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

**Sec. 2. COMPREHENSIVE VISION EXAMINATION REPORT.**

By January 15, 2017, the commissioner must submit to the committees of the legislature with jurisdiction over kindergarten through grade 12 education a report describing the number and proportion of children in each school district who report having had a comprehensive vision examination, disaggregated by age at the time of early childhood developmental screening under Minnesota Statutes, section 121A.17.

**Sec. 3. APPROPRIATIONS.**

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

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	<u>788,000</u>	.....	<u>2016</u>
\$	<u>554,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$107,000 for 2015 and \$681,000 for 2016.

The 2017 appropriation includes \$75,000 for 2016 and \$479,000 for 2017.

Subd. 3. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	<u>710,000</u>	.....	<u>2016</u>
\$	<u>710,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$71,000 for 2015 and \$639,000 for 2016.

The 2017 appropriation includes \$71,000 for 2016 and \$639,000 for 2017.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

\$	<u>70,000</u>	.....	<u>2016</u>
\$	<u>70,000</u>	.....	<u>2017</u>

Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes, section 124D.22:

\$	<u>1,000</u>	.....	<u>2016</u>
\$	<u>1,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$0 for 2015 and \$1,000 for 2016.

The 2017 appropriation includes \$0 for 2016 and \$1,000 for 2017.

**ARTICLE 11****SELF-SUFFICIENCY AND LIFELONG LEARNING**

Section 1. Minnesota Statutes 2014, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual who is a resident of Minnesota is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 2.10 percent of the first \$6,180 of earned income. The credit is reduced by 2.01 percent of earned income or adjusted gross income, whichever is greater, in excess of \$8,130, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 9.35 percent of the first \$11,120 of earned income. The credit is reduced by 6.02 percent of earned income or adjusted gross income, whichever is greater, in excess of \$21,190, but in no case is the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals 11 percent of the first \$18,240 of earned income. The credit is reduced by 10.82 percent of earned income or adjusted gross income, whichever is greater, in excess of \$25,130, but in no case is the credit less than zero.

(e) For a ~~nonresident or~~ part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(f) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.01, subdivision 19b, clause (9), the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the subtractions for military pay under section 290.01, subdivision 19b, clauses (10) and (11), are not considered "earned income not subject to tax under this chapter."

For the purposes of this paragraph, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(g) For tax years beginning after December 31, 2007, and before December 31, 2010, and for tax years beginning after December 31, 2017, the \$8,130 in paragraph (b), the \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$3,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2008, the commissioner shall annually adjust the \$3,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2007" shall be substituted for the word "1992." For 2009, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2007, to the 12 months ending on August 31, 2008, and in each subsequent year, from the 12 months ending on August 31, 2007, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(h)(1) For tax years beginning after December 31, 2012, and before January 1, 2014, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are increased by \$5,340 for married taxpayers filing joint returns; and (2)

for tax years beginning after December 31, 2013, and before January 1, 2018, the \$8,130 in paragraph (b), the \$21,190 in paragraph (c), and the \$25,130 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$5,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2010, and before January 1, 2012, and for tax years beginning after December 31, 2013, and before January 1, 2018, the commissioner shall annually adjust the \$5,000 by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code, except that in section 1(f)(3)(B), the word "2008" shall be substituted for the word "1992." For 2011, the commissioner shall then determine the percent change from the 12 months ending on August 31, 2008, to the 12 months ending on August 31, 2010, and in each subsequent year, from the 12 months ending on August 31, 2008, to the 12 months ending on August 31 of the year preceding the taxable year. The earned income thresholds as adjusted for inflation must be rounded to the nearest \$10. If the amount ends in \$5, the amount is rounded up to the nearest \$10. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(i) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2014.

Sec. 2. Minnesota Statutes 2014, section 290.0671, subdivision 6a, is amended to read:

Subd. 6a. **TANF appropriation for working family credit expansion.** (a) On an annual basis the commissioner of revenue, with the assistance of the commissioner of human services, shall calculate the value of the refundable portion of the Minnesota Working Family Credit provided under this section that qualifies for payment with funds from the federal Temporary Assistance for Needy Families (TANF) block grant. Of this total amount, the commissioner of revenue shall estimate the portion entailed by the expansion of the credit rates provided in Laws 2000, chapter 490, article 4, section 17, for individuals with qualifying children over the rates provided in Laws 1999, chapter 243, article 2, section 12.

(b) An amount sufficient to pay the refunds entailed by the expansion of the credit rates provided in Laws 2000, chapter 490, article 4, section 17, for individuals with qualifying children over the rates provided in Laws 1999, chapter 243, article 2, section 12, as estimated in paragraph (a), is appropriated to the commissioner of human services from the federal Temporary Assistance for Needy Families (TANF) block grant funds, for transfer to the commissioner of revenue for deposit in the general fund.

**EFFECTIVE DATE.** This section is effective retroactively for transfers in fiscal year 2015 and thereafter.

Sec. 3. **APPROPRIATIONS.**

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

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

\$	<u>49,118,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>50,592,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$4,782,000 for 2015 and \$44,336,000 for 2016.

The 2017 appropriation includes \$4,926,000 for 2016 and \$45,666,000 for 2017.

Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under Minnesota Statutes, section 124D.55:

\$	<u>125,000</u>	.....	<u>2016</u>
\$	<u>125,000</u>	.....	<u>2017</u>

## ARTICLE 12

### STATE AGENCIES

Section 1. Minnesota Statutes 2014, section 5A.03, is amended to read:

#### **5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.**

Subdivision 1. **Placing high school students in Minnesota.** (a) An application for registration as an international student exchange visitor placement organization must be submitted in the form prescribed by the secretary of state. The application must include:

- (1) evidence that the organization meets the standards established by the secretary of state by rule;
- (2) the name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;
- (3) the organization's unified business identification number, if any;
- (4) the organization's Office of Exchange Coordination and Designation, United States Department of State number, if any;
- (5) evidence of Council on Standards for International Educational Travel listing, if any;
- (6) whether the organization is exempt from federal income tax; and
- (7) a list of the organization's placements in Minnesota for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(b) The application must be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising placements within Minnesota. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(c) Organizations that have registered shall inform the secretary of state of any changes in the information required under paragraph (a), clause (1), within 30 days of the change. There is no fee to amend a registration.

(d) Registration under this chapter is valid for one year. The registration may be renewed annually. The fee to renew a registration is \$50 per year.

(e) Organizations registering for the first time in Minnesota must pay an initial registration fee of \$150.

(f) Fees collected by the secretary of state under this section must be deposited in the state treasury and credited to the general fund.



**Subd. 2. Placing Minnesota students in travel abroad programs.** (a) A school district or charter school with enrolled students who participate in a foreign exchange or study or other travel abroad program under a written agreement between the district or charter school and the program provider must use a form developed by the Department of Education to annually report to the department by November 1 the following data from the previous school year:

(1) the number of Minnesota student deaths that occurred while Minnesota students were participating in the foreign exchange or study or other travel abroad program and that resulted from Minnesota students participating in the program;

(2) the number of Minnesota students hospitalized due to accidents and the illnesses that occurred while Minnesota students were participating in the foreign exchange or study or other travel abroad program and that resulted from Minnesota students participating in the program; and

(3) the name and type of the foreign exchange or study or other travel abroad program and the city or region where the reported death, hospitalization due to accident, or the illness occurred.

(b) School districts and charter schools must ask but must not require enrolled eligible students and the parents or guardians of other enrolled students who complete a foreign exchange or study or other travel abroad program to disclose the information under paragraph (a).

(c) When reporting the data under paragraph (a), a school district or charter school may supplement the data with a brief explanatory statement. The Department of Education annually must aggregate and publish the reported data on the department Web site in a format that facilitates public access to the aggregated data and include links to both the United States Department of State's Consular Information Program that informs the public of conditions abroad that may affect students' safety and security and the publicly available reports on sexual assaults and other criminal acts affecting students participating in a foreign exchange or study or other travel abroad program.

(d) School districts and charter schools with enrolled students who participate in foreign exchange or study or other travel abroad programs under a written agreement between the district or charter school and the program provider are encouraged to adopt policies supporting the programs and to include program standards in their policies to ensure students' health and safety.

(e) To be eligible under this subdivision to provide a foreign exchange or study or other travel abroad program to Minnesota students enrolled in a school district or charter school, a program provider annually must register with the secretary of state and provide the following information on a form developed by the secretary of state: the name, address, and telephone number of the program provider, its chief executive officer, and the person within the provider's organization who is primarily responsible for supervising programs within the state; the program provider's unified business identification number, if any; whether the program provider is exempt from federal income tax; a list of the program provider's placements in foreign countries for the previous school year including the number of Minnesota students placed, where Minnesota students were placed, and the length of their placement; the terms and limits of the medical and accident insurance available to cover participating students and the process for filing a claim; and the signatures of the program provider's chief executive officer and the person primarily responsible for supervising Minnesota students' placements in foreign countries. If the secretary of state determines the registration is complete, the secretary of state shall file the registration and the program provider is registered. Registration with the secretary of state must not be considered or represented as an endorsement of the program provider by the secretary of state. The secretary of state annually must publish on its Web site aggregated data under paragraph (c) received from the Department of Education.

(f) Program providers, annually by August 1, must provide the data required under paragraph (a), clauses (1) to (3), to the districts and charter schools with enrolled students participating in the provider's program.

(g) The Department of Education must publish the information it has under paragraph (c), but it is not responsible for any errors or omissions in the information provided to it by a school district or charter school. A school district or charter school is not responsible for omissions in the information provided to it by students and programs.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 2. Minnesota Statutes 2014, section 127A.353, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** The governor shall select the school trust lands director on the basis of outstanding professional qualifications and knowledge of finance, business practices, minerals, forest and real estate management, and the fiduciary responsibilities of a trustee to the beneficiaries of a trust. The school trust lands director serves in the unclassified service for a term of four years. The first term shall end on December 31, ~~2016~~ 2020. The governor may remove the school trust lands director for cause. If a director resigns or is removed for cause, the governor shall appoint a director for the remainder of the term.

Sec. 3. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

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

\$	<u>20,805,000</u>	<u>.....</u>	<u>2016</u>
\$	<u>21,253,000</u>	<u>.....</u>	<u>2017</u>

Of these amounts:

(1) \$718,000 each year is for the Board of Teaching;

(2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board of School Administrators;

(3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota Statutes, section 120B.115;

(4) \$500,000 each year is for the School Safety Technical Assistance Center under Minnesota Statutes, section 127A.052; and

(5) \$250,000 each year is for the School Finance Division to enhance financial data analysis.

(b) Any balance in the first year does not cancel but is available in the second year.

(c) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

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

(e) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will

be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(f) The agency's base budget in fiscal year 2018 is \$21,427,000. The agency's base budget in fiscal year 2019 is \$21,405,000.

**Sec. 4. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

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

\$	<u>12,853,000</u>	.....	<u>2016</u>
\$	<u>12,819,000</u>	.....	<u>2017</u>

(b) Of the amounts appropriated in paragraph (a), \$708,000 in fiscal year 2016 and \$490,000 in fiscal year 2017 are for technology enhancements and may be used for: (1) computer hardware; (2) computer software; (3) connectivity, communications, and infrastructure; (4) assistive technology; (5) access to electronic books and other online materials, licenses, and subscriptions; and (6) technology staff and training costs.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The agency's budget base in fiscal year 2018 is \$12,804,000.

(e) The agency's budget base in fiscal year 2019 is \$12,786,000.

**Sec. 5. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

\$	<u>6,872,000</u>	.....	<u>2016</u>
\$	<u>6,973,000</u>	.....	<u>2017</u>

(b) Any balance in the first year does not cancel but is available in the second year.

**ARTICLE 13**

**FORECAST ADJUSTMENTS**

**A. GENERAL EDUCATION**

Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 2, as amended by Laws 2013, chapter 144, section 7, and Laws 2014, chapter 312, article 15, section 26, is amended to read:

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

\$	<u>6,851,419,000</u>	.....	<u>2014</u>
	<u>6,464,199,000</u>		
\$	<u>6,443,330,000</u>	.....	<u>2015</u>

The 2014 appropriation includes \$780,156,000 for 2013 and \$6,071,263,000 for 2014.

The 2015 appropriation includes ~~\$589,095,000~~ \$586,824,000 for 2014 and ~~\$5,875,104,000~~ \$5,856,506,000 for 2015.

Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 1, is amended to read:

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

\$	37,000	.....	2014
	<del>40,000</del>		
\$	<u>36,000</u>	.....	2015

Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 2, is amended to read:

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

\$	2,876,000	.....	2014
	<del>3,103,000</del>		
\$	<u>2,796,000</u>	.....	2015

The 2014 appropriation includes \$301,000 for 2013 and \$2,575,000 for 2014.

The 2015 appropriation includes \$286,000 for 2014 and ~~\$2,817,000~~ \$2,510,000 for 2015.

Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 5, as amended by Laws 2014, chapter 312, article 22, section 3, is amended to read:

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

\$	585,000	.....	2014
	<del>254,000</del>		
\$	<u>263,000</u>	.....	2015

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

The 2015 appropriation includes \$60,000 for 2014 and ~~\$194,000~~ \$203,000 for 2015.

Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 6, as amended by Laws 2014, chapter 312, article 15, section 27, is amended to read:

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

\$	15,867,000	.....	2014
\$	<del>16,132,000</del>	.....	2015

15,569,000

The 2014 appropriation includes \$1,898,000 for 2013 and \$13,969,000 for 2014.

The 2015 appropriation includes ~~\$1,552,000~~ \$1,394,000 for 2014 and ~~\$14,580,000~~ \$14,175,000 for 2015.

Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 7, as amended by Laws 2014, chapter 312, article 15, section 28, is amended to read:

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

\$	18,500,000	.....	2014
	<del>17,710,000</del>		
\$	<u>18,118,000</u>	.....	2015

The 2014 appropriation includes \$2,602,000 for 2013 and \$15,898,000 for 2014.

The 2015 appropriation includes \$1,766,000 for 2014 and ~~\$15,944,000~~ \$16,352,000 for 2015.

Sec. 7. Laws 2013, chapter 116, article 1, section 58, subdivision 11, as amended by Laws 2014, chapter 312, article 22, section 4, is amended to read:

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

\$	3,959,000	.....	2014
	<del>5,172,000</del>		
\$	<u>5,617,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2013 and \$3,959,000 for 2014.

The 2015 appropriation includes ~~\$439,000~~ \$445,000 for 2014 and ~~\$4,733,000~~ \$5,172,000 for 2015.

## B. EDUCATION EXCELLENCE

Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 5, is amended to read:

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

\$	55,609,000	.....	2014
	<del>62,692,000</del>		
\$	<u>63,831,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2013 and \$55,609,000 for 2014.

The 2015 appropriation includes ~~\$6,178,000~~ \$6,386,000 for 2014 and ~~\$56,514,000~~ \$57,445,000 for 2015.

Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 6, is amended to read:

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

\$	50,998,000	.....	2014
	<del>47,458,000</del>		
\$	<u>44,839,000</u>	.....	2015

The 2014 appropriation includes \$6,607,000 for 2013 and \$44,391,000 for 2014.

The 2015 appropriation includes \$4,932,000 for 2014 and ~~\$42,526,000~~ \$39,907,000 for 2015.

Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 5, as amended by Laws 2014, chapter 312, article 22, section 7, is amended to read:

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

\$	13,521,000	.....	2014
	<del>14,248,000</del>		
\$	<u>14,261,000</u>	.....	2015

Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 20, as amended by Laws 2013, chapter 144, section 10, and Laws 2014, chapter 312, article 22, section 9, is amended to read:

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

	<del>71,599,000</del>		
\$	<u>69,899,000</u>	.....	2015

The 2015 appropriation includes \$0 for 2014 and ~~\$71,599,000~~ \$69,899,000 for 2015.

### C. CHARTER SCHOOLS

Sec. 12. Laws 2013, chapter 116, article 4, section 9, subdivision 2, as amended by Laws 2014, chapter 312, article 22, section 10, is amended to read:

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

\$	54,625,000	.....	2014
	<del>58,294,000</del>		
\$	<u>59,565,000</u>	.....	2015

The 2014 appropriation includes \$6,681,000 for 2013 and \$47,944,000 for 2014.

The 2015 appropriation includes ~~\$5,327,000~~ \$5,270,000 for 2014 and ~~\$52,967,000~~ \$54,295,000 for 2015.

#### D. SPECIAL PROGRAMS

Sec. 13. Laws 2013, chapter 116, article 5, section 31, subdivision 2, as amended by Laws 2013, chapter 144, section 14, and Laws 2014, chapter 312, article 22, section 11, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$	1,038,465,000	.....	2014
	<del>1,111,641,000</del>		
\$	<u>1,109,144,000</u>	.....	2015

The 2014 appropriation includes \$118,183,000 for 2013 and \$920,282,000 for 2014.

The 2015 appropriation includes ~~\$129,549,000~~ \$129,317,000 for 2014 and ~~\$982,092,000~~ \$979,827,000 for 2015.

Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 12, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

\$	1,548,000	.....	2014
	<del>1,674,000</del>		
\$	<u>1,367,000</u>	.....	2015

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 13, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	351,000	.....	2014
	<del>346,000</del>		
\$	<u>351,000</u>	.....	2015

The 2014 appropriation includes \$45,000 for 2013 and \$306,000 for 2014.

The 2015 appropriation includes \$33,000 for 2014 and ~~\$313,000~~ \$318,000 for 2015.

### E. FACILITIES AND TECHNOLOGY

Sec. 16. Laws 2013, chapter 116, article 6, section 12, subdivision 2, as amended by Laws 2014, chapter 312, article 22, section 15, is amended to read:

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

\$	471,000	.....	2014
	<del>651,000</del>		
\$	<u>649,000</u>	.....	2015

The 2014 appropriation includes \$24,000 for 2013 and \$447,000 for 2014.

The 2015 appropriation includes \$49,000 for 2014 and ~~\$602,000~~ \$600,000 for 2015.

Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 6, as amended by Laws 2014, chapter 312, article 22, section 18, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

\$	3,877,000	.....	2014
	<del>4,024,000</del>		
\$	<u>4,067,000</u>	.....	2015

The 2014 appropriation includes \$475,000 for 2013 and \$3,402,000 for 2014.

The 2015 appropriation includes \$378,000 for 2014 and ~~\$3,646,000~~ \$3,689,000 for 2015.

### F. NUTRITION AND LIBRARIES

Sec. 18. Laws 2013, chapter 116, article 7, section 21, subdivision 2, as amended by Laws 2014, chapter 312, article 19, section 5, is amended to read:

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

\$	12,417,000	.....	2014
	<del>16,185,000</del>		
\$	<u>15,506,000</u>	.....	2015

Sec. 19. Laws 2013, chapter 116, article 7, section 21, subdivision 3, as amended by Laws 2014, chapter 312, article 19, section 6, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

\$	5,308,000	.....	2014
\$	<del>6,176,000</del>	.....	2015



9,168,000

Sec. 20. Laws 2013, chapter 116, article 7, section 21, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 19, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

\$	992,000	.....	2014
	<del>1,002,000</del>		
\$	<u>942,000</u>	.....	2015

### G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

Sec. 21. Laws 2013, chapter 116, article 8, section 5, subdivision 3, as amended by Laws 2014, chapter 312, article 20, section 17, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$	22,797,000	.....	2014
	<del>26,651,000</del>		
\$	<u>26,623,000</u>	.....	2015

The 2014 appropriation includes \$3,008,000 for 2013 and \$19,789,000 for 2014.

The 2015 appropriation includes \$2,198,000 for 2014 and ~~\$24,453,000~~ \$24,425,000 for 2015.

Sec. 22. Laws 2013, chapter 116, article 8, section 5, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 23, is amended to read:

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

\$	3,524,000	.....	2014
	<del>3,330,000</del>		
\$	<u>3,390,000</u>	.....	2015

The 2014 appropriation includes \$471,000 for 2013 and \$3,053,000 for 2014.

The 2015 appropriation includes \$339,000 for 2014 and ~~\$2,991,000~~ \$3,051,000 for 2015.

Sec. 23. Laws 2013, chapter 116, article 8, section 5, subdivision 14, as amended by Laws 2014, chapter 312, article 20, section 20, is amended to read:

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

\$	48,776,000	.....	2014
\$	<del>48,415,000</del>	.....	2015

47,750,000

The 2014 appropriation includes \$6,278,000 for 2013 and \$42,498,000 for 2014.

The 2015 appropriation includes ~~\$4,722,000~~ \$4,712,000 for 2014 and ~~\$43,693,000~~ \$43,038,000 for 2015.

Presented to the governor May 20, 2015