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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 3858

04/07/2016 Authored by Loon and Erickson

The bill was read for the first time and referred to the Committee on Education Finance

04/15/2016 Adoption of Report: Amended and re-referred to the Committee on Taxes

04/18/2016 Adoption of Report: Re-referred to the Committee on Ways and Means

1.1 A bill for an act
1.2 relating to education finance; providing funding and policy for early childhood
1.3 and family, prekindergarten through grade 12, and adult education, including
1.4 general education, education excellence, charter schools, special education, early
1.5 childhood education, self-sufficiency, lifelong learning, and state agencies;
1.6 appropriating money; amending Minnesota Statutes 2014, sections 120A.22,
1.7 subdivision 12; 120A.42; 120B.02, by adding a subdivision; 120B.021,
1.8 subdivisions 1, 3; 120B.11, subdivisions 1a, 2, 5; 120B.15; 120B.35; 120B.36,
1.9 as amended; 121A.53; 121A.61, subdivision 1; 121A.64; 122A.07, subdivision
1.10 2; 122A.09, subdivision 10, by adding a subdivision; 122A.14, subdivision
1.11 9; 122A.16; 122A.18, subdivisions 7c, 8; 122A.21, subdivision 1, by adding
1.12 a subdivision; 122A.245, subdivision 8; 122A.31, subdivision 3; 122A.40,
1.13 subdivision 10; 122A.41, by adding a subdivision; 122A.4144; 122A.416;
1.14 122A.42; 122A.72, subdivision 5; 123A.24, subdivision 2; 123B.49, subdivision
1.15 4; 123B.571, subdivision 2; 123B.60, subdivision 1; 123B.71, subdivision 8;
1.16 123B.79, subdivisions 5, 8, 9; 124D.111, by adding a subdivision; 124D.13,
1.17 subdivisions 1, 5, 9; 124D.135, subdivisions 5, 7; 124D.15, subdivisions 1, 3a,
1.18 15; 124D.16, subdivisions 3, 5; 124D.165, as amended; 124D.52, subdivisions
1.19 1, 2; 124D.55; 124D.59, by adding a subdivision; 124D.861, subdivision 1,
1.20 by adding a subdivision; 124D.896; 125A.091, subdivision 11; 125A.0942,
1.21 subdivision 4; 126C.10, subdivision 24; 126C.15, subdivision 3; 126C.40,
1.22 subdivision 5; 126C.63, subdivision 7; 127A.095; 127A.353, subdivision 4;
1.23 127A.41, subdivision 2; 127A.45, subdivision 6a; 127A.51; 129C.10, subdivision
1.24 1; Minnesota Statutes 2015 Supplement, sections 120B.021, subdivision 4;
1.25 120B.125; 120B.30, subdivisions 1, 1a; 120B.31, subdivision 4; 122A.21,
1.26 subdivision 2; 122A.30; 122A.414, subdivisions 1, 2, 2b; 122A.415, subdivision
1.27 3; 122A.60, subdivision 4; 123B.53, subdivision 1; 123B.595, subdivisions 4,
1.28 7, 8, 9, 10, 11, by adding a subdivision; 124D.16, subdivision 2; 124D.231,
1.29 subdivision 2; 124D.73, subdivision 4; 124E.05, subdivisions 4, 5, 7; 124E.10,
1.30 subdivisions 1, 5; 124E.16, subdivision 2; 125A.08; 125A.083; 125A.0942,
1.31 subdivision 3; 125A.11, subdivision 1; 125A.21, subdivision 3; 125A.63,
1.32 subdivision 4; 125A.76, subdivision 2c; 125A.79, subdivision 1; 126C.10,
1.33 subdivisions 1, 13a; 126C.15, subdivisions 1, 2; 126C.48, subdivision 8;
1.34 127A.05, subdivision 6; 127A.47, subdivision 7; 136F.302, subdivision 1; Laws
1.35 2010, chapter 396, section 7; Laws 2011, First Special Session chapter 11, article
1.36 4, section 8; Laws 2012, chapter 263, section 1, as amended; Laws 2013, chapter
1.37 116, article 7, section 19, as amended; Laws 2015, chapter 69, article 1, section
1.38 3, subdivision 28; Laws 2015, First Special Session chapter 3, article 1, section
1.39 27, subdivisions 2, 4, 5, 6, 7, 9; article 2, section 70, subdivisions 2, 3, 4, 5, 6, 7,

2.1 11, 12; article 3, section 15, subdivision 3; article 4, sections 4; 9, subdivision 2;
 2.2 article 5, section 30, subdivisions 2, 3, 5; article 6, section 13, subdivisions 2, 3,
 2.3 6, 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section 8, subdivisions
 2.4 5, 6, 7, 9; article 10, section 3, subdivision 2; article 11, section 3, subdivisions
 2.5 2, 3; article 12, section 4; proposing coding for new law in Minnesota Statutes,
 2.6 chapters 119A; 122A; 124D; 127A; 129C; 136F; repealing Minnesota Statutes
 2.7 2014, sections 120B.299, subdivision 5; 122A.40, subdivision 11; 122A.41,
 2.8 subdivision 14; 122A.413, subdivision 3; 122A.74; 123B.60, subdivision 2;
 2.9 123B.79, subdivisions 2, 6; Minnesota Statutes 2015 Supplement, section
 2.10 122A.413, subdivisions 1, 2; Minnesota Rules, part 3535.0110, subparts 6, 7, 8.

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

2.12 ARTICLE 1

2.13 GENERAL EDUCATION

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

2.15 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative
 2.16 unit is:

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

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

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

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

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

2.23 (6) a special education cooperative organized under section 471.59.

2.24 Sec. 2. Minnesota Statutes 2014, section 124D.111, is amended by adding a
 2.25 subdivision to read:

2.26 Subd. 2a. **Federal child and adult care food program; financial viability.** (a) A
 2.27 nonprofit organization with fewer than three years of experience and performance data
 2.28 that is applying for approval as a multisite sponsoring organization under the federal child
 2.29 and adult care food program may demonstrate its financial viability by submitting to the
 2.30 commissioner a written statement from a certified public accountant indicating, based on
 2.31 generally accepted accounting principles, that the nonprofit organization has the financial
 2.32 resources needed to sponsor the program on a daily basis and to withstand temporary
 2.33 interruptions in program payments. The statement from a certified public accountant
 2.34 satisfies the requirement for a nonprofit organization to demonstrate its financial viability
 2.35 under the federal child and adult care food program in Minnesota. Consistent with
 2.36 this paragraph, the commissioner must post on the department's Web site criteria for
 2.37 interested nonprofit organizations, those with fewer than three years of experience and

3.1 performance data, and those with three or more years of experience and performance data,
 3.2 to demonstrate financial viability for the Minnesota program.

3.3 (b) The commissioner must use an expedited process to reconsider any application
 3.4 by a nonprofit organization under paragraph (a) applying for approval as a multisite
 3.5 sponsoring organization under the federal child and adult care food program submitted to
 3.6 the commissioner after July 1, 2015, if the commissioner denied the application, in whole
 3.7 or in part, based upon the applicant's inability to demonstrate financial viability.

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

3.9 Sec. 3. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 1, is
 3.10 amended to read:

3.11 Subdivision 1. **General education revenue.** (a) Notwithstanding any law to the
 3.12 contrary, a school board in any school year may adopt a resolution declaring an urgent
 3.13 educational need for that school year and resolve to reallocate the district's general
 3.14 education revenue under this section to provide more effective education programs and
 3.15 services designed to improve the educational outcomes of all students enrolled in the
 3.16 district. A board action under this paragraph must not increase state aid obligations to
 3.17 the district, result in additional property tax authority for the district, or interfere with
 3.18 federally mandated laws or state or federal court orders.

3.19 (b) The general education revenue for each district equals the sum of the district's
 3.20 basic revenue, extended time revenue, gifted and talented revenue, declining enrollment
 3.21 revenue, local optional revenue, small schools revenue, basic skills revenue, secondary
 3.22 sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total
 3.23 operating capital revenue, equity revenue, pension adjustment revenue, and transition
 3.24 revenue.

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

3.26 Sec. 4. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,
 3.27 is amended to read:

3.28 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district
 3.29 may levy an amount not more than the product of its operating capital revenue for the
 3.30 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted
 3.31 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor
 3.32 equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740 for fiscal year 2017, \$17,473~~
 3.33 \$17,495 for fiscal year 2018, and \$20,510 ~~\$20,532~~ for fiscal year 2019 and later.

4.1 Sec. 5. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

4.3 (1) the school district's adjusted pupil unit amount of basic revenue, transition
4.4 revenue, and referendum revenue is less than the value of the school district at or
4.5 immediately above the 95th percentile of school districts in its equity region for those
4.6 revenue categories; and

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

4.9 (b) Equity revenue for a qualifying district that receives referendum revenue under
4.10 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil
4.11 units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's
4.12 equity index computed under subdivision 27.

4.13 (c) Equity revenue for a qualifying district that does not receive referendum revenue
4.14 under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil
4.15 units for that year times \$14.

4.16 (d) A school district's equity revenue is increased by the greater of zero or an amount
4.17 equal to the district's adjusted pupil units times the difference between ten percent of the
4.18 statewide average amount of referendum revenue per adjusted pupil unit for that year and
4.19 the district's referendum revenue per adjusted pupil unit. A school district's revenue under
4.20 this paragraph must not exceed \$100,000 for that year.

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

4.23 (f) A school district's additional equity revenue equals \$50 times its adjusted pupil
4.24 units.

4.25 Sec. 6. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 1, is
4.26 amended to read:

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

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

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

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

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

5.9 (5) recruitment and new teacher development activities through quality mentor-led
5.10 induction or "grow your own" initiatives;

5.11 (6) a hiring bonus or other added compensation for a teacher identified as effective
5.12 or highly effective under the local teacher professional review cycle who agrees to work
5.13 in a hard-to-fill position or hard-to-staff school setting such as a school with a majority
5.14 of students whose families meet federal poverty guidelines, a geographically isolated
5.15 school, or a school identified by the state as eligible for targeted programs or services
5.16 for its students;

5.17 ~~(5)~~ (7) comprehensive and ongoing staff development consistent with district and
5.18 site plans according to section 122A.60 and to implement plans under section 120B.12,
5.19 subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve
5.20 their ability to identify the needs of these learners and provide appropriate remediation,
5.21 intervention, accommodations, or modifications;

5.22 ~~(6)~~ (8) instructional materials, digital learning, and technology appropriate for
5.23 meeting the individual needs of these learners;

5.24 ~~(7)~~ (9) programs to reduce truancy, encourage completion of high school, enhance
5.25 self-concept, provide health services, provide nutrition services, provide a safe and secure
5.26 learning environment, provide coordination for pupils receiving services from other
5.27 governmental agencies, provide psychological services to determine the level of social,
5.28 emotional, cognitive, and intellectual development, and provide counseling services,
5.29 guidance services, and social work services;

5.30 ~~(8)~~ (10) bilingual programs, bicultural programs, and programs for English learners;

5.31 ~~(9)~~ all-day kindergarten;

5.32 ~~(10)~~ (11) early education programs, parent-training programs, school readiness
5.33 programs, kindergarten programs for four-year-olds, voluntary home visits under section
5.34 124D.13, subdivision 4, and other outreach efforts designed to prepare children for
5.35 kindergarten;

6.1 (11) (12) extended school day and extended school year programs, including
6.2 summer academies; and

6.3 (12) (13) substantial parent involvement in developing and implementing remedial
6.4 education or intervention plans for a learner, including learning contracts between the
6.5 school, the learner, and the parent that establish achievement goals and responsibilities of
6.6 the learner and the learner's parent or guardian.

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

6.8 Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 2, is
6.9 amended to read:

6.10 Subd. 2. **Building allocation.** (a) Unless a plan has been adopted according to
6.11 paragraph (b), a district or cooperative must allocate its compensatory revenue to each
6.12 school building in the district or cooperative where the children who have generated the
6.13 revenue are served ~~unless the school district or cooperative has received permission under~~
6.14 ~~Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory~~
6.15 ~~revenue according to student performance measures developed by the school board.~~

6.16 (b) Notwithstanding paragraph (a), the board of a district or cooperative may allocate
6.17 up to 50 percent of the amount of reallocate any or all of its compensatory revenue that
6.18 ~~the district receives to school sites~~ according to a plan adopted by the school board.
6.19 The money reallocated under this paragraph must be spent for the purposes listed in
6.20 subdivision 1, but may be spent on students in any grade, including students attending
6.21 school readiness or other prekindergarten programs.

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

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

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

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

7.1 Sec. 8. Minnesota Statutes 2014, section 126C.15, subdivision 3, is amended to read:

7.2 Subd. 3. **Recommendation.** A school site decision-making team, as defined in
7.3 section 123B.04, subdivision 2, paragraph (a), or the instruction and curriculum advisory
7.4 committee under section 120B.11, if the school has no school site decision team, ~~shall~~ may
7.5 recommend to the school board how the compensatory education revenue will be used to
7.6 carry out the purpose of this section. A school district that has received permission under
7.7 Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory
7.8 revenue according to school performance measures shall share its plan for the distribution
7.9 of compensatory revenue with the school site decision team.

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

7.11 Sec. 9. Minnesota Statutes 2014, section 127A.353, subdivision 4, is amended to read:

7.12 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

7.13 (1) take an oath of office before assuming any duties as the director;

7.14 (2) evaluate the school trust land asset position;

7.15 (3) determine the estimated current and potential market value of school trust lands;

7.16 (4) advise the governor, Executive Council, commissioner of natural resources,

7.17 and the Legislative Permanent School Fund Commission on the management of school
7.18 trust lands, including:

7.19 (i) Department of Natural Resources school trust land management plans;

7.20 (ii) leases of school trust lands;

7.21 (iii) royalty agreements on school trust lands;

7.22 (iv) land sales and exchanges;

7.23 (v) cost certification; and

7.24 (vi) revenue generating options;

7.25 (5) propose to the Legislative Permanent School Fund Commission legislative
7.26 changes that will improve the asset allocation of the school trust lands;

7.27 (6) develop a ten-year strategic plan and a 25-year framework for management of
7.28 school trust lands, in conjunction with the commissioner of natural resources, that is
7.29 updated every five years and implemented by the commissioner, with goals to:

7.30 (i) retain core real estate assets;

7.31 (ii) increase the value of the real estate assets and the cash flow from those assets;

7.32 (iii) rebalance the portfolio in assets with high performance potential and the
7.33 strategic disposal of selected assets;

7.34 (iv) establish priorities for management actions; and

7.35 (v) balance revenue enhancement and resource stewardship;

8.1 (7) submit to the Legislative Permanent School Fund Commission for review an
8.2 annual budget and management plan for the director; and

8.3 (8) keep the beneficiaries, governor, legislature, and the public informed about the
8.4 work of the director by reporting to the Legislative Permanent School Fund Commission
8.5 in a public meeting at least once during each calendar quarter.

8.6 (b) In carrying out the duties under paragraph (a), the school trust lands director
8.7 shall have the authority to:

8.8 (1) direct and control money appropriated to the director;

8.9 (2) establish job descriptions and employ up to five employees in the unclassified
8.10 service, within the limitations of money appropriated to the director;

8.11 (3) enter into interdepartmental agreements with any other state agency; ~~and~~

8.12 (4) enter into joint powers agreements under chapter 471;

8.13 (5) evaluate and initiate real estate development projects on school trust lands with
8.14 the advice of the Legislative Permanent School Fund Commission in order to generate
8.15 long-term economic return to the permanent school fund; and

8.16 ~~(4)~~ (6) submit recommendations on strategies for school trust land leases, sales, or
8.17 exchanges to the commissioner of natural resources and the Legislative Permanent School
8.18 Fund Commission.

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

8.20 Sec. 10. Minnesota Statutes 2014, section 127A.51, is amended to read:

8.21 **127A.51 STATEWIDE AVERAGE REVENUE.**

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

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

8.33 For purposes of this section and section 126C.10, adjusted general revenue means
8.34 the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under

9.1 section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity
 9.2 revenue under section 126C.10, subdivisions 24a and 24b.

9.3 Sec. 11. Laws 2013, chapter 116, article 7, section 19, as amended by Laws 2015, First
 9.4 Special Session chapter 3, article 7, section 6, is amended to read:

9.5 Sec. 19. **FUND OR ACCOUNT TRANSFER; FISCAL YEAR 2014 THROUGH**
 9.6 **FISCAL YEAR 2017 ONLY.**

9.7 (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal
 9.8 year 2014 ~~through fiscal year 2017 only~~ and later, the commissioner must approve a
 9.9 request for a fund or account transfer if the transfer does not increase state aid obligations
 9.10 to the district or result in additional property tax authority for the district. This section
 9.11 does not permit transfers from the community service fund, the food service fund, or the
 9.12 reserved account for staff development under section 122A.61.

9.13 (b) A school board may approve a fund or account transfer under paragraph (a)
 9.14 only after adopting a resolution stating the fund or account transfer will not diminish
 9.15 instructional opportunities for students.

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

9.17 Sec. 12. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
 9.18 2, is amended to read:

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

9.21		6,624,310,000		
9.22	\$	<u>6,649,435,000</u>	.....	2016
9.23		6,761,574,000		
9.24	\$	<u>6,794,178,000</u>	.....	2017

9.25 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~
 9.26 \$6,026,527,000 for 2016.

9.27 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
 9.28 ~~\$6,122,762,000~~ \$6,152,766,000 for 2017.

9.29 Sec. 13. **VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND**
 9.30 **DILWORTH-GLYNDON-FELTON.**

9.31 Subdivision 1. **Boundary realignment allowed.** The school boards of Independent
 9.32 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign
 9.33 their shared district boundaries according to the provisions of this section.

10.1 Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent
10.2 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly
10.3 develop a plan to realign their shared school district boundaries over a period of years.

10.4 (b) The plan must specify and identify each group of parcels that will be transferred
10.5 and the method used to determine the year during which each set of parcels is transferred.
10.6 The method of transfer may include an analysis of the relative tax base of the parcels to
10.7 be transferred and may make the transfers of parcels effective upon the relationship in
10.8 relative tax bases.

10.9 (c) The written plan must be adopted by each school board after the board has
10.10 allowed public testimony on the plan.

10.11 (d) The plan must be filed with both the county auditor and the commissioner of
10.12 education.

10.13 (e) After adopting the plan, each school board must publish notice of the plan
10.14 realigning district boundaries. The notice must include a general description of the area
10.15 that will be affected by the proposed boundary alignment and the method by which the
10.16 boundaries will be realigned. The notice must also be mailed to each property owner of
10.17 record in the area proposed for realignment.

10.18 Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between
10.19 the two school districts, for the next and subsequent tax years, the taxable property in the
10.20 newly aligned parcel is taxable for a portion of the bonded debt of the school district to
10.21 which the property is attached and is not taxable for the bonded debt from the school
10.22 district from which the property is detached.

10.23 Subd. 4. **County auditor notified.** After adoption of the plan, each school board
10.24 must provide a copy of the plan to the county auditor. The county auditor may request
10.25 any other necessary information from the school districts to affect the transfer of parcels
10.26 between the school districts. Each year, the school districts must notify the county auditor
10.27 of what block of parcels, if any, will be transferred between the two school districts. The
10.28 county auditor must notify each affected property owner of the boundary change.

10.29 Subd. 5. **Report to Department of Education.** Upon adoption of the plan, the
10.30 school boards must submit a copy of the plan to the Department of Education. The districts
10.31 must also provide any additional information necessary for computing school aids and
10.32 levies to the Department of Education in the form and manner requested by the department.

10.33 **EFFECTIVE DATE.** This section is effective the day after the school boards of
10.34 Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,
10.35 and their respective chief clerical officers timely comply with Minnesota Statutes, section
10.36 645.021, subdivisions 2 and 3.

11.1 Sec. 14. **GLENVILLE-EMMONS SCHOOL DISTRICT; OPERATING**
11.2 **REFERENDUM ADJUSTMENT.**

11.3 Subdivision 1. Year first effective. Notwithstanding any law to the contrary, the
11.4 operating referendum approved by the voters of Independent School District No. 2886,
11.5 Glenville-Emmons, in April 2015, is first effective for fiscal year 2017 and may run for
11.6 the number of years stated on the ballot. The total referendum authority for fiscal year
11.7 2017, including any board-approved authority, may not exceed the amount approved
11.8 by the voters.

11.9 Subd. 2. Documentation and process. The board of Independent School District
11.10 No. 2886, Glenville-Emmons, must submit to the commissioner of education the following:

11.11 (1) a unanimously adopted written resolution of the board at a public meeting
11.12 authorizing the operating referendum to begin in fiscal year 2017;

11.13 (2) documentation showing that the district's approved plan to eliminate its statutory
11.14 operating debt is being followed; and

11.15 (3) any other information requested by the commissioner.

11.16 Subd. 3. Levy adjustment. Independent School District No. 2886,
11.17 Glenville-Emmons, may certify the levy to accompany the fiscal year 2017 operating
11.18 referendum over a three-year period beginning with taxes payable in 2017.

11.19 Sec. 15. **EQUITY AID; FISCAL YEAR 2017.**

11.20 For fiscal year 2017 only, the entire amount of the equity revenue adjustment under
11.21 section 5 is paid through state aid.

11.22 Sec. 16. **REPORT ON POSTSECONDARY ENROLLMENT OPTIONS**
11.23 **PROGRAM.**

11.24 The commissioner of education must include in its 2017 report to the legislature
11.25 on dual credit programs the number of students participating in early middle college
11.26 programs and the number of English language learners participating in each type of dual
11.27 enrollment program. The commissioner must also include recommendations about how to
11.28 expand participation in early middle college programs for English language learners.

11.29 Sec. 17. **REVISOR'S INSTRUCTION.**

11.30 The revisor of statutes shall codify section 11 in Minnesota Statutes, section
11.31 123B.79, consistent with other limitations on school district fund and account transfers
11.32 and appropriately revise any statutory cross-reference consistent with that recoding.

12.1 **ARTICLE 2**

12.2 **EDUCATION EXCELLENCE**

12.3 Section 1. **[119A.035] SCHOOL CRISIS RESPONSE TEAMS.**

12.4 Subdivision 1. Commissioner's duties. To ensure timely responses to school crises,
 12.5 the commissioner must work in cooperation with the Minnesota School Safety Center to
 12.6 collect, maintain, and make available to schools contact information for crisis response
 12.7 teams throughout the state.

12.8 Subd. 2. Crisis response teams. In regions of Minnesota where an existing crisis
 12.9 response team has not been formed by a school district, county, or city, the commissioner,
 12.10 in cooperation with the Minnesota School Safety Center, must convene a working group
 12.11 in each region to develop a plan to form a crisis response team for that region. Team
 12.12 members from the public and private sectors may represent various disciplines, including
 12.13 school administrators, guidance counselors, psychologists, social workers, teachers,
 12.14 nurses, security experts, media relations professionals, and other related areas.

12.15 Sec. 2. Minnesota Statutes 2014, section 120A.22, subdivision 12, is amended to read:

12.16 Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person having
 12.17 control of a child may apply to a school district to have the child excused from ~~attendance~~
 12.18 attending for the whole or any part of the time school is in session or participating in a
 12.19 physical education class during any school year. Application may be made to any member
 12.20 of the board, a truant officer, a principal, or the superintendent. The school district may
 12.21 state in its school attendance policy that it may ask the student's parent or legal guardian to
 12.22 verify in writing the reason for the child's absence from school or not participating in a
 12.23 physical education class. A note from a physician or a licensed mental health professional
 12.24 stating that the child cannot attend school or participate in a physical education class
 12.25 is a valid excuse. The board of the district in which the child resides may approve the
 12.26 application upon the following being demonstrated to the satisfaction of that board:

12.27 (1) that the child's physical or mental health is such as to prevent ~~attendance at~~
 12.28 attending school or participating in a physical education class or ~~application~~ applying to
 12.29 study for the period required, which includes:

- 12.30 (i) child illness, medical, dental, orthodontic, or counseling appointments;
 12.31 (ii) family emergencies;
 12.32 (iii) the death or serious illness or funeral of an immediate family member;
 12.33 (iv) active duty in any military branch of the United States;

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

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

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

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

13.15 (b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child
13.16 from an all-day, every day kindergarten program and put their child in a half-day program,
13.17 if offered, or an alternate-day program without being truant. A school board must excuse a
13.18 kindergarten child from a part of a school day at the request of the child's parent.

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

13.20 Sec. 3. Minnesota Statutes 2014, section 120A.42, is amended to read:

13.21 **120A.42 CONDUCT OF SCHOOL ON CERTAIN HOLIDAYS.**

13.22 (a) The governing body of any district may contract with any of the teachers of the
13.23 district for the conduct of schools, and may conduct schools, on either, or any, of the
13.24 following holidays, provided that a clause to this effect is inserted in the teacher's contract:
13.25 Martin Luther King's birthday, Lincoln's and Washington's birthdays, Columbus Day
13.26 and Veterans' Day. On Martin Luther King's birthday, Washington's birthday, Lincoln's
13.27 birthday, and Veterans' Day at least one hour of the school program must be devoted to a
13.28 patriotic observance of the day.

13.29 (b) A district may conduct a school program to honor Constitution Day and
13.30 Citizenship Day by providing opportunities for students to learn about the principles of
13.31 American democracy, the American system of government, American citizens' rights and
13.32 responsibilities, American history, and American geography, symbols, and holidays.
13.33 Among other activities under this paragraph, districts may administer to students the test
13.34 questions United States Citizenship and Immigration Services officers pose to applicants

14.1 for naturalization and may formally recognize students who are able to answer 80 or
14.2 more of the 100 questions correctly.

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

14.5 Sec. 4. Minnesota Statutes 2014, section 120B.02, is amended by adding a subdivision
14.6 to read:

14.7 Subd. 3. **Required knowledge and understanding of civics.** (a) For purposes of
14.8 this subdivision, "civics test questions" means 50 of the 100 questions that, as of January 1,
14.9 2015, United States citizenship and immigration services officers use to select the questions
14.10 they pose to applicants for naturalization so the applicants can demonstrate their knowledge
14.11 and understanding of the fundamentals of United States history and government, as
14.12 required by United States Code, title 8, section 1423. The Learning Law and Democracy
14.13 Foundation, in consultation with Minnesota civics teachers, must select by July 1 each year
14.14 50 of the 100 questions under this paragraph to serve as the state's civics test questions for
14.15 the proximate school year and immediately transmit the 50 selected civics test questions to
14.16 the department and to the Legislative Coordinating Commission, which must post the 50
14.17 questions it receives on the Minnesota's Legacy Web site by August 1 of that year.

14.18 (b) A student enrolled in a public school must correctly answer at least 30 of the 50
14.19 civics test questions. A school or district must record on a student's transcript whether
14.20 and when the student answered at least 30 of 50 civics test questions correctly. A school
14.21 or district may exempt a student with disabilities from this requirement if the student's
14.22 individualized education program team determines the requirement is inappropriate and
14.23 establishes an alternative requirement. A school or district may administer the civics test
14.24 questions in a language other than English to students who qualify for English learner
14.25 services.

14.26 (c) Schools and districts may administer civics test questions as part of the social
14.27 studies curriculum. A district must not prevent a student from graduating or deny a student
14.28 a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.

14.29 (d) The commissioner and public schools and school districts must not charge
14.30 students any fees related to this subdivision.

14.31 **EFFECTIVE DATE.** This section is effective for students enrolling in grade 9 in
14.32 the 2017-2018 school year or later.

14.33 Sec. 5. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

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

15.3 (1) language arts;

15.4 (2) mathematics;

15.5 (3) science;

15.6 (4) social studies, including history, geography, economics, and government and
15.7 citizenship that includes civics consistent with section 120B.02, subdivision 3;

15.8 (5) physical education;

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

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

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

15.21 (c) Consistent with section 120B.021, subdivision 4, paragraph (g), the department
15.22 must adopt the most recent Society of Health and Physical Education (SHAPE) America
15.23 or other nationally recognized kindergarten through grade 12 physical education standards
15.24 and benchmarks as the required Minnesota physical education academic standards. The
15.25 department may modify and adapt the national standards and benchmarks to accommodate
15.26 state interest so long as it maintains the purpose and integrity of the national standards. The
15.27 department must post on its Web site existing assessments available in the public domain
15.28 for school districts to use in assessing students' mastery of the physical education standards.

15.29 (e) (d) District efforts to develop, implement, or improve instruction or curriculum
15.30 as a result of the provisions of this section must be consistent with sections 120B.10,
15.31 120B.11, and 120B.20.

15.32 **EFFECTIVE DATE.** Paragraph (c) is effective for the 2021-2022 school year
15.33 and later.

15.34 Sec. 6. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

16.1 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of
16.2 this section and section 120B.022, must adopt statewide rules under section 14.389 for
16.3 implementing statewide rigorous core academic standards in language arts, mathematics,
16.4 science, social studies, physical education, and the arts. After the rules authorized under
16.5 this subdivision are initially adopted, the commissioner may not amend or repeal these
16.6 rules nor adopt new rules on the same topic without specific legislative authorization. The
16.7 academic standards for language arts, mathematics, and the arts must be implemented for
16.8 all students beginning in the 2003-2004 school year. The academic standards for science
16.9 and social studies must be implemented for all students beginning in the 2005-2006 school
16.10 year.

16.11 Sec. 7. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is
16.12 amended to read:

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

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

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

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

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

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

17.7 (g) The commissioner must adopt the most recent kindergarten through grade 12
 17.8 physical education standards developed by the Society of Health and Physical Education
 17.9 (SHAPE) America or other nationally recognized physical education association and
 17.10 implement a review of the physical education standards and related benchmarks, consistent
 17.11 with section 120B.021, subdivision 1, paragraph (c), beginning in the 2020-2021 school
 17.12 year and every ten years thereafter.

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

17.19 Sec. 8. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

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

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

17.24 ~~(2)~~ (1) the size of the academic achievement gap, rigorous course taking under
 17.25 section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by
 17.26 student subgroup;

17.27 ~~(3)~~ (2) student performance on the Minnesota Comprehensive Assessments;

17.28 ~~(4)~~ (3) high school graduation rates; and

17.29 ~~(5)~~ (4) career and college readiness under section 120B.30, subdivision 1.

17.30 Sec. 9. Minnesota Statutes 2014, section 120B.11, subdivision 2, is amended to read:

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

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

18.4 (2) a process ~~for assessing and evaluating~~ to assess and evaluate each student's
 18.5 progress toward meeting state and local academic standards, assess and identify students
 18.6 to participate in gifted and talented programs and accelerate their instruction, and adopt
 18.7 early-admission procedures consistent with section 120B.15, and identifying the strengths
 18.8 and weaknesses of instruction in pursuit of student and school success and curriculum
 18.9 affecting students' progress and growth toward career and college readiness and leading to
 18.10 the world's best workforce;

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

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

18.18 (5) a process to examine the equitable distribution of teachers and strategies to
 18.19 ensure low-income and minority children are not taught at higher rates than other children
 18.20 by inexperienced, ineffective, or out-of-field teachers;

18.21 ~~(5)~~ (6) education effectiveness practices that integrate high-quality instruction,
 18.22 rigorous curriculum, technology, and a collaborative professional culture that develops
 18.23 and supports teacher quality, performance, and effectiveness; and

18.24 ~~(6)~~ (7) an annual budget for continuing to implement the district plan.

18.25 Sec. 10. Minnesota Statutes 2014, section 120B.11, subdivision 5, is amended to read:

18.26 Subd. 5. **Report.** Consistent with requirements for school performance reports
 18.27 under section 120B.36, subdivision 1, the school board shall publish a report in the
 18.28 local newspaper with the largest circulation in the district, by mail, or by electronic
 18.29 means on the district Web site. The school board shall hold an annual public meeting
 18.30 to review, and revise where appropriate, student achievement goals, local assessment
 18.31 outcomes, plans, strategies, and practices for improving curriculum and instruction
 18.32 and cultural competency, and efforts to equitably distribute effective, experienced, and
 18.33 in-field teachers, and to review district success in realizing the previously adopted student
 18.34 achievement goals and related benchmarks and the improvement plans leading to the

19.1 world's best workforce. The school board must transmit an electronic summary of its
19.2 report to the commissioner in the form and manner the commissioner determines.

19.3 Sec. 11. Minnesota Statutes 2014, section 120B.15, is amended to read:

19.4 **120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

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

19.8 (b) School districts must adopt guidelines for assessing and identifying students for
19.9 participation in gifted and talented programs consistent with section 120B.11, subdivision
19.10 2, clause (2). The guidelines should include the use of:

19.11 (1) multiple and objective criteria; and

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

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

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

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

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

19.26 Sec. 12. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1, is
19.27 amended to read:

19.28 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
19.29 with appropriate technical qualifications and experience and stakeholders, consistent with
19.30 subdivision 1a, shall include in the comprehensive assessment system, for each grade
19.31 level to be tested, state-constructed tests developed as computer-adaptive reading and
19.32 mathematics assessments for students that are aligned with the state's required academic
19.33 standards under section 120B.021, include multiple choice questions, and are administered
19.34 annually to all students in grades 3 through 8. State-developed high school tests aligned

20.1 with the state's required academic standards under section 120B.021 and administered
20.2 to all high school students in a subject other than writing must include multiple choice
20.3 questions. The commissioner shall establish one or more months during which schools
20.4 shall administer the tests to students each school year.

20.5 (1) Students enrolled in grade 8 through the 2009-2010 school year are eligible
20.6 to be assessed under (i) the graduation-required assessment for diploma in reading,
20.7 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,
20.8 paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii)
20.9 the Compass college placement test, (iv) the ACT assessment for college admission, (v) a
20.10 nationally recognized armed services vocational aptitude test.

20.11 (2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are
20.12 eligible to be assessed under (i) the graduation-required assessment for diploma in reading,
20.13 mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision
20.14 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the
20.15 Compass college placement test, (iv) the ACT assessment for college admission, (v) a
20.16 nationally recognized armed services vocational aptitude test.

20.17 (3) For students under clause (1) or (2), a school district may substitute a score from
20.18 an alternative, equivalent assessment to satisfy the requirements of this paragraph.

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

20.21 (1) mathematics;

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

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

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

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

20.28 (c) For students enrolled in grade 8 in the 2012-2013 school year and later, students'
20.29 state graduation requirements, based on a longitudinal, systematic approach to student
20.30 education and career planning, assessment, instructional support, and evaluation, include
20.31 the following:

20.32 (1) an opportunity to participate on a nationally normed college entrance exam,
20.33 in grade 11 or grade 12;

20.34 (2) achievement and career and college readiness in mathematics, reading, and
20.35 writing, consistent with paragraph ~~(j)~~ (k) and to the extent available, to monitor students'
20.36 continuous development of and growth in requisite knowledge and skills; analyze

21.1 students' progress and performance levels, identifying students' academic strengths and
21.2 diagnosing areas where students require curriculum or instructional adjustments, targeted
21.3 interventions, or remediation; and, based on analysis of students' progress and performance
21.4 data, determine students' learning and instructional needs and the instructional tools and
21.5 best practices that support academic rigor for the student; and

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

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

21.14 (d) Expectations of schools, districts, and the state for career or college readiness
21.15 under this subdivision must be comparable in rigor, clarity of purpose, and rates of
21.16 student completion.

21.17 A student under paragraph (c), clause (2), must receive targeted, relevant,
21.18 academically rigorous, and resourced instruction, which may include a targeted instruction
21.19 and intervention plan focused on improving the student's knowledge and skills in core
21.20 subjects so that the student has a reasonable chance to succeed in a career or college
21.21 without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09,
21.22 124D.091, 124D.49, and related sections, an enrolling school or district must actively
21.23 encourage a student in grade 11 or 12 who is identified as academically ready for a career
21.24 or college to participate in courses and programs awarding college credit to high school
21.25 students. Students are not required to achieve a specified score or level of proficiency on
21.26 an assessment under this subdivision to graduate from high school.

21.27 (e) Though not a high school graduation requirement, students are encouraged to
21.28 participate in a nationally recognized college entrance exam. ~~With funding provided by~~
21.29 ~~the~~ To the extent state funding for college entrance exam fees is available, a district must
21.30 pay the cost, one time, for an interested student in grade 11 or 12 to take a nationally
21.31 recognized college entrance exam before graduating. ~~A student must be able to take the~~
21.32 ~~exam under this paragraph at the student's high school during the school day and at any~~
21.33 ~~one of the multiple exam administrations available to students in the district.~~

21.34 (f) The commissioner and the chancellor of the Minnesota State Colleges and
21.35 Universities must collaborate in aligning instruction and assessments for adult basic
21.36 education students and English learners to provide the students with diagnostic information

22.1 about any targeted interventions, accommodations, modifications, and supports they
22.2 need so that assessments and other performance measures are accessible to them and
22.3 they may seek postsecondary education or employment without need for postsecondary
22.4 remediation. When administering formative or summative assessments used to measure
22.5 the academic progress, including the oral academic development, of English learners
22.6 and inform their instruction, schools must ensure that the assessments are accessible to
22.7 the students and students have the modifications and supports they need to sufficiently
22.8 understand the assessments.

22.9 (g) Districts and schools, on an annual basis, must use career exploration elements
22.10 to help students, beginning no later than grade 9, and their families explore and plan
22.11 for postsecondary education or careers based on the students' interests, aptitudes, and
22.12 aspirations. Districts and schools must use timely regional labor market information and
22.13 partnerships, among other resources, to help students and their families successfully
22.14 develop, pursue, review, and revise an individualized plan for postsecondary education or a
22.15 career. This process must help increase students' engagement in and connection to school,
22.16 improve students' knowledge and skills, and deepen students' understanding of career
22.17 pathways as a sequence of academic and career courses that lead to an industry-recognized
22.18 credential, an associate's degree, or a bachelor's degree and are available to all students,
22.19 whatever their interests and career goals.

22.20 (h) A student who demonstrates attainment of required state academic standards,
22.21 which include career and college readiness benchmarks, on high school assessments
22.22 under subdivision 1a is academically ready for a career or college and is encouraged to
22.23 participate in courses awarding college credit to high school students. Such courses and
22.24 programs may include sequential courses of study within broad career areas and technical
22.25 skill assessments that extend beyond course grades.

22.26 (i) As appropriate, students through grade 12 must continue to participate in targeted
22.27 instruction, intervention, or remediation and be encouraged to participate in courses
22.28 awarding college credit to high school students.

22.29 (j) In developing, supporting, and improving students' academic readiness for a
22.30 career or college, schools, districts, and the state must have a continuum of empirically
22.31 derived, clearly defined benchmarks focused on students' attainment of knowledge and
22.32 skills so that students, their parents, and teachers know how well students must perform to
22.33 have a reasonable chance to succeed in a career or college without need for postsecondary
22.34 remediation. The commissioner, in consultation with local school officials and educators,
22.35 and Minnesota's public postsecondary institutions must ensure that the foundational
22.36 knowledge and skills for students' successful performance in postsecondary employment

23.1 or education and an articulated series of possible targeted interventions are clearly
23.2 identified and satisfy Minnesota's postsecondary admissions requirements.

23.3 (k) For students in grade 8 in the 2012-2013 school year and later, a school, district,
23.4 or charter school must record on the high school transcript a student's progress toward
23.5 career and college readiness, and for other students as soon as practicable.

23.6 (l) The school board granting students their diplomas may formally decide to include
23.7 a notation of high achievement on the high school diplomas of those graduating seniors
23.8 who, according to established school board criteria, demonstrate exemplary academic
23.9 achievement during high school.

23.10 (m) The 3rd through 8th grade computer-adaptive assessment results and high school
23.11 test results shall be available to districts for diagnostic purposes affecting student learning
23.12 and district instruction and curriculum, and for establishing educational accountability.
23.13 The commissioner must establish empirically derived benchmarks on adaptive assessments
23.14 in grades 3 through 8 and the high school tests that reveal a trajectory toward career and
23.15 college readiness. The chancellor of the Minnesota State Colleges and Universities must
23.16 review and confirm the benchmarks established by the commissioner show that students
23.17 are able to successfully complete credit-bearing coursework at a Minnesota state college or
23.18 university, consistent with paragraph (p). The commissioner must disseminate to the public
23.19 the computer-adaptive assessments and high school test results upon receiving those results.

23.20 (n) The grades 3 through 8 computer-adaptive assessments and high school tests
23.21 must be aligned with state academic standards. The commissioner shall determine the
23.22 testing process and the order of administration. The statewide results shall be aggregated
23.23 at the site and district level, consistent with subdivision 1a.

23.24 (o) The commissioner shall include the following components in the statewide
23.25 public reporting system:

23.26 (1) uniform statewide computer-adaptive assessments of all students in grades 3
23.27 through 8 and testing at the high school levels that provides appropriate, technically sound
23.28 accommodations or alternate assessments;

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

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

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

24.1 (p) For purposes of statewide accountability, "career and college ready" means a
24.2 high school graduate has the knowledge, skills, and competencies to successfully pursue a
24.3 career pathway, including postsecondary credit leading to a degree, diploma, certificate, or
24.4 industry-recognized credential and employment. Students who are career and college ready
24.5 are able to successfully complete credit-bearing coursework at a two- or four-year college
24.6 or university or other credit-bearing postsecondary program without need for remediation.

24.7 (q) For purposes of statewide accountability, "cultural competence," "cultural
24.8 competency," or "culturally competent" means the ability and will to interact effectively
24.9 with people of different cultures, native languages, and socioeconomic backgrounds.

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

24.12 Sec. 13. Minnesota Statutes 2015 Supplement, section 120B.30, subdivision 1a,
24.13 is amended to read:

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

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

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

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

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

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

24.33 (b) The commissioner must use fully adaptive mathematics and reading assessments
24.34 for grades 3 through 8.

25.1 (c) For purposes of conforming with existing federal educational accountability
25.2 requirements, the commissioner must develop and implement computer-adaptive reading
25.3 and mathematics assessments for grades 3 through 8, state-developed high school reading
25.4 and mathematics tests aligned with state academic standards, a high school writing
25.5 test aligned with state standards when it becomes available, and science assessments
25.6 under clause (2) that districts and sites must use to monitor student growth toward
25.7 achieving those standards. The commissioner must not develop statewide assessments for
25.8 academic standards in social studies, except a civics test consistent with section 120B.02,
25.9 subdivision 3, health and physical education, and the arts. The commissioner must require:

25.10 (1) annual computer-adaptive reading and mathematics assessments in grades 3
25.11 through 8, and high school reading, writing, and mathematics tests; and

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

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

25.17 (1) individual student performance data and achievement reports are available
25.18 within three school days of when students take an assessment except in a year when an
25.19 assessment reflects new performance standards;

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

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

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

25.30 (e) The commissioner must ensure that all state tests administered to elementary and
25.31 secondary students measure students' academic knowledge and skills and not students'
25.32 values, attitudes, and beliefs.

25.33 (f) Reporting of state assessment results must:

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

25.36 (2) include a growth indicator of student achievement; and

26.1 (3) determine whether students have met the state's academic standards.

26.2 (g) Consistent with applicable federal law, the commissioner must include
26.3 appropriate, technically sound accommodations or alternative assessments for the very
26.4 few students with disabilities for whom statewide assessments are inappropriate and
26.5 for English learners.

26.6 (h) A school, school district, and charter school must administer statewide
26.7 assessments under this section, as the assessments become available, to evaluate student
26.8 progress toward career and college readiness in the context of the state's academic
26.9 standards. A school, school district, or charter school may use a student's performance
26.10 on a statewide assessment as one of multiple criteria to determine grade promotion or
26.11 retention. A school, school district, or charter school may use a high school student's
26.12 performance on a statewide assessment as a percentage of the student's final grade in a
26.13 course, or place a student's assessment score on the student's transcript.

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

26.15 Sec. 14. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is
26.16 amended to read:

26.17 Subd. 4. **Student performance data.** In developing policies and assessment
26.18 processes to hold schools and districts accountable for high levels of academic standards
26.19 under section 120B.021, the commissioner shall aggregate and disaggregate student
26.20 data over time to report summary student performance and growth levels and, under
26.21 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured
26.22 at the school, school district, and statewide level. ~~When collecting and reporting the~~
26.23 ~~performance data,~~ The commissioner shall use the student categories identified under the
26.24 federal Elementary and Secondary Education Act, as most recently reauthorized, and
26.25 student categories of homelessness, ethnicity, race, home language, immigrant, refugee
26.26 status, English language learners under section 124D.59, free or reduced-price lunch,
26.27 and other categories designated by federal law to organize and report the data so that
26.28 state and local policy makers can understand the educational implications of changes in
26.29 districts' demographic profiles over time, ~~including student homelessness,~~ as data are
26.30 available, ~~among other demographic factors.~~ Any report the commissioner disseminates
26.31 containing summary data on student performance must integrate student performance and
26.32 the demographic factors that strongly correlate with that performance.

26.33 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and
26.34 later.

27.1 Sec. 15. Minnesota Statutes 2014, section 120B.35, is amended to read:

27.2 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

27.3 Subdivision 1. ~~School and Student indicators of growth and achievement.~~

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

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

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

27.32 (c) The commissioner must:

27.33 (1) assist school sites and districts identified as not meeting federal expectations; and

27.34 (2) provide technical assistance to schools that integrate student achievement
27.35 measures into the school continuous improvement plan.

28.1 (d) The commissioner shall establish and maintain a continuous improvement Web
28.2 site designed to make aggregated and disaggregated student growth and, under section
28.3 120B.11, subdivision 2, clause (2), student learning and outcome data on every school
28.4 and district available to parents, teachers, administrators, community members, and the
28.5 general public, consistent with this section.

28.6 Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational
28.7 assessment system measuring individual students' educational growth is based on
28.8 indicators of achievement growth that show an individual student's prior achievement.
28.9 Indicators of achievement and prior achievement must be based on highly reliable
28.10 statewide or districtwide assessments.

28.11 (2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and
28.12 report separate categories of information using the student categories identified under the
28.13 federal Elementary and Secondary Education Act, as most recently reauthorized and, in
28.14 addition to the Karen community, other student categories as determined by the total
28.15 Minnesota population at or above the 1,000-person threshold based on the most recent
28.16 decennial census, including ethnicity; race; refugee status; English language learners
28.17 under section 124D.59; home language; free or reduced-price lunch; immigrant; and all
28.18 students enrolled in a Minnesota public school who are currently or were previously in
28.19 foster care, except that such disaggregation and cross tabulation is not required if the
28.20 number of students in a category is insufficient to yield statistically reliable information or
28.21 the results would reveal personally identifiable information about an individual student.

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

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

28.32 (2) for all student categories, report and compare aggregated and disaggregated state
28.33 student growth and, under section 120B.11, subdivision 2, clause (2), student learning
28.34 and outcome data using the nine student categories identified under the federal 2001 No
28.35 Child Left Behind Act and two student gender categories of male and female, respectively,
28.36 following appropriate reporting practices to protect nonpublic student data Elementary

29.1 and Secondary Education Act, as most recently reauthorized, and other student categories
 29.2 under paragraph (a), clause (2).

29.3 The commissioner must report measures of student growth and, under section
 29.4 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with
 29.5 this paragraph, including the English language development, academic progress, and oral
 29.6 academic development of English learners and their native language development if the
 29.7 native language is used as a language of instruction, and include data on all pupils enrolled
 29.8 in a Minnesota public school course or program who are currently or were previously
 29.9 counted as an English learner under section 124D.59.

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

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

29.19 (2) a rigorous coursework measure indicating the number and percentage of high
 29.20 school graduates in the most recent school year who successfully completed one or more
 29.21 college-level advanced placement, international baccalaureate, postsecondary enrollment
 29.22 options including concurrent enrollment, other rigorous courses of study under section
 29.23 120B.021, subdivision 1a, or industry certification courses or programs.

29.24 When reporting the core measures under clauses (1) and (2), the commissioner must also
 29.25 analyze and report separate categories of information using the ~~nine~~ student categories
 29.26 identified under the federal ~~2001 No Child Left Behind Act~~ and two student gender
 29.27 ~~categories of male and female, respectively, following appropriate reporting practices to~~
 29.28 ~~protect nonpublic student data~~ Elementary and Secondary Education Act, as most recently
 29.29 reauthorized, and other student categories under paragraph (a), clause (2).

29.30 (d) When reporting student performance under section 120B.36, subdivision 1, the
 29.31 commissioner annually, beginning July 1, 2014, must report summary data on school
 29.32 safety and students' engagement and connection at school, consistent with the student
 29.33 categories identified under paragraph (a), clause (2). The summary data under this
 29.34 paragraph are separate from and must not be used for any purpose related to measuring
 29.35 or evaluating the performance of classroom teachers. The commissioner, in consultation
 29.36 with qualified experts on student engagement and connection and classroom teachers,

30.1 must identify highly reliable variables that generate summary data under this paragraph.
30.2 The summary data may be used at school, district, and state levels only. Any data on
30.3 individuals received, collected, or created that are used to generate the summary data
30.4 under this paragraph are nonpublic data under section 13.02, subdivision 9.

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

30.10 (1) the four- and six-year graduation rates of students under this paragraph;

30.11 (2) the percent of students under this paragraph whose progress and performance
30.12 levels are meeting career and college readiness benchmarks under section 120B.30,
30.13 subdivision 1; and

30.14 (3) the success that learning year program providers experience in:

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

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

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

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

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

30.22 (f) The commissioner, in consultation with recognized experts with knowledge and
30.23 experience in assessing the language proficiency and academic performance of all English
30.24 learners enrolled in a Minnesota public school course or program who are currently or were
30.25 previously counted as an English learner under section 124D.59, must identify and report
30.26 appropriate and effective measures to improve current categories of language difficulty and
30.27 assessments, and monitor and report data on students' English proficiency levels, program
30.28 placement, and academic language development, including oral academic language.

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

30.34 Subd. 5. **Improving graduation rates for students with emotional or behavioral**
30.35 **disorders.** (a) A district must develop strategies in conjunction with parents of students
30.36 with emotional or behavioral disorders and the county board responsible for implementing

31.1 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in
 31.2 school, when the district has a drop-out rate for students with an emotional or behavioral
 31.3 disorder in grades 9 through 12 exceeding 25 percent.

31.4 (b) A district must develop a plan in conjunction with parents of students with
 31.5 emotional or behavioral disorders and the local mental health authority to increase the
 31.6 graduation rates of students with emotional or behavioral disorders. A district with a
 31.7 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
 31.8 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
 31.9 to the commissioner.

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

31.12 Sec. 16. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First
 31.13 Special Session chapter 3, article 2, section 8, is amended to read:

31.14 **120B.36 SCHOOL ACCOUNTABILITY; ~~APPEALS PROCESS.~~**

31.15 Subdivision 1. **School performance reports.** (a) The commissioner shall report
 31.16 student academic performance data under section 120B.35, ~~subdivision~~ subdivisions
 31.17 2 and 3; the percentages of students showing low, medium, and high growth under
 31.18 section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and
 31.19 connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework
 31.20 under section 120B.35, subdivision 3, paragraph (c); the percentage of students under
 31.21 section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance
 31.22 levels are meeting career and college readiness benchmarks under sections 120B.30,
 31.23 subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress
 31.24 of eligible districts in reducing disparities in students' academic achievement and realizing
 31.25 racial and economic integration under section 124D.861; the acquisition of English, and
 31.26 where practicable, native language academic literacy, including oral academic language,
 31.27 and the academic progress of all English learners ~~under section 124D.59, subdivisions~~
 31.28 2 and 2a enrolled in a Minnesota public school course or program who are currently or
 31.29 were previously counted as English learners under section 124D.59; the total number of
 31.30 students by grade who correctly answered at least 30 of 50 civics test questions under
 31.31 section 120B.02, subdivision 3; two separate student-to-teacher ratios that clearly indicate
 31.32 the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes
 31.33 of determining these ratios; staff characteristics excluding salaries; student enrollment
 31.34 demographics; foster care status, including all students enrolled in a Minnesota public

32.1 school course or program who are currently or were previously in foster care, student
 32.2 homelessness, and district mobility; and extracurricular activities. The report also must
 32.3 indicate a school's adequate yearly progress status under applicable federal law, and must
 32.4 not set any designations applicable to high- and low-performing schools due solely to
 32.5 adequate yearly progress status.

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

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

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

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

32.19 Subd. 2. ~~**Adequate yearly Student progress and other data.**~~ (a) All data the
 32.20 department receives, collects, or creates under section 120B.11, governing the world's
 32.21 best workforce or to determine adequate yearly progress status under Public Law 107-110,
 32.22 ~~section 1116~~ federal expectations under the most recently reauthorized Elementary and
 32.23 Secondary Education Act, set state growth targets, and determine student growth, learning,
 32.24 and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision
 32.25 9, until the commissioner publicly releases the data.

32.26 (b) Districts must provide parents sufficiently detailed summary data to permit
 32.27 parents to appeal under ~~Public Law 107-110, section 1116(b)(2)~~ the most recently
 32.28 reauthorized federal Elementary and Secondary Education Act. The commissioner shall
 32.29 annually post federal ~~adequate yearly progress data~~ expectations and state student growth,
 32.30 learning, and outcome data to the department's public Web site no later than September 1,
 32.31 except that in years when ~~adequate yearly progress reflects~~ data or federal expectations
 32.32 reflect new performance standards, the commissioner shall post federal ~~adequate yearly~~
 32.33 progress data on federal expectations and state student growth data no later than October 1.

32.34 **EFFECTIVE DATE.** This section is effective for the 2016-2017 school year and
 32.35 later, except the requirement to report civics test data is effective for the 2018-2019 school
 32.36 year and later.

33.1 Sec. 17. Minnesota Statutes 2014, section 121A.53, is amended to read:

33.2 **121A.53 REPORT TO COMMISSIONER OF EDUCATION.**

33.3 Subdivision 1. **Exclusions and expulsions; physical assaults.** The school board
33.4 must report through the department electronic reporting system each exclusion or
33.5 expulsion and each physical assault of a district employee by a student within 30 days
33.6 of the effective date of the dismissal action or assault to the commissioner of education.
33.7 This report must include a statement of alternative educational services, or other sanction,
33.8 intervention, or resolution in response to the assault given the pupil and the reason for,
33.9 the effective date, and the duration of the exclusion or expulsion or other sanction,
33.10 intervention, or resolution. The report must also include the student's age, grade, gender,
33.11 race, and special education status.

33.12 Subd. 2. **Report.** (a) The school board must include state student identification
33.13 numbers of affected pupils on all dismissal and other disciplinary reports required by the
33.14 department. The department must report annually to the commissioner summary data on the
33.15 number of dismissals and physical assaults of district employees by a student by age, grade,
33.16 gender, race, and special education status of the affected pupils. All dismissal and other
33.17 disciplinary reports must be submitted through the department electronic reporting system.

33.18 (b) The commissioner must aggregate the district data reported under this section and
33.19 include the aggregated data, including aggregated data on physical assaults of a district
33.20 employee by a student, in the annual school performance reports under section 120B.36.

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

33.23 Sec. 18. Minnesota Statutes 2014, section 121A.61, subdivision 1, is amended to read:

33.24 Subdivision 1. **Required policy.** Each school board must adopt a written
33.25 districtwide school discipline policy which includes written rules of conduct for
33.26 students, minimum consequences for violations of the rules, and grounds and procedures
33.27 for removal of a student from class. The policy must be developed in consultation
33.28 with administrators, teachers, employees, pupils, parents, community members, law
33.29 enforcement agencies, county attorney offices, social service agencies, and such other
33.30 individuals or organizations as the board determines appropriate. The policy must be
33.31 consistent with a teacher's authority for controlling and managing student behavior in the
33.32 classroom under section 122A.42. A school site council may adopt additional provisions
33.33 to the policy subject to the approval of the school board.

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

34.3 Sec. 19. Minnesota Statutes 2014, section 121A.64, is amended to read:

34.4 **121A.64 NOTIFICATION; TEACHERS' LEGITIMATE EDUCATIONAL**
34.5 **INTEREST.**

34.6 (a) A classroom teacher has a legitimate educational interest in knowing which
34.7 students placed in the teacher's classroom have a history of violent behavior, including any
34.8 documented physical assault of a district employee by the student, and must be notified
34.9 before such students are placed in the teacher's classroom.

34.10 (b) Representatives of the school board and the exclusive representative of the
34.11 teachers shall discuss issues related to the model policy on student records adopted under
34.12 Laws 1999, chapter 241, article 9, section 50, and any modifications adopted under Laws
34.13 2003, First Special Session chapter 9, for notifying classroom teachers and other school
34.14 district employees having a legitimate educational interest in knowing about students with
34.15 a history of violent behavior, including any documented physical assault of a district
34.16 employee by students placed in classrooms. The representatives of the school board and
34.17 the exclusive representative of the teachers also may discuss the need for intervention
34.18 services or conflict resolution or training for staff related to placing students with a history
34.19 of violent behavior in teachers' classrooms.

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

34.22 Sec. 20. Minnesota Statutes 2014, section 122A.07, subdivision 2, is amended to read:

34.23 Subd. 2. **Eligibility; board composition.** Except for the representatives of higher
34.24 education, school administrators, and the public, to be eligible for appointment to the
34.25 Board of Teaching a person must be a teacher currently teaching in a Minnesota school
34.26 and fully licensed for the position held and have at least five years teaching experience in
34.27 Minnesota, including the two years immediately preceding nomination and appointment.
34.28 Each nominee, other than a public nominee, must be selected on the basis of professional
34.29 experience and knowledge of teacher education, accreditation, and licensure. The board
34.30 must be composed of:

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

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

35.3 (3) one school administrator; and

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

35.6 **EFFECTIVE DATE.** This section is effective the day following final enactment
35.7 and applies to all board appointments made after that date.

35.8 Sec. 21. Minnesota Statutes 2014, section 122A.09, is amended by adding a
35.9 subdivision to read:

35.10 Subd. 3a. **Board of Teaching; duties and responsibilities clarified.** Consistent
35.11 with sections 15.039 and 16B.37, the Board of Teaching is responsible for licensing
35.12 teachers and issuing special permissions to teach and must perform all licensure-related
35.13 duties and meet all licensure-related responsibilities under this section, among other
35.14 statutory licensure-related requirements. At the direction of the board, the department
35.15 may perform administrative functions related to issuing teacher licenses. To the extent a
35.16 conflict exists between this section and another section governing teacher licensing, the
35.17 provisions of this section prevail.

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

35.19 Sec. 22. Minnesota Statutes 2014, section 122A.09, subdivision 10, is amended to read:

35.20 Subd. 10. **Variance Permissions.** (a) Notwithstanding subdivision 9 and
35.21 section 14.05, subdivision 4, the Board of Teaching may grant a variance to its rules
35.22 upon application by a school district or a charter school for purposes of implementing
35.23 experimental programs in learning or management.

35.24 (b) To enable a school district or a charter school to meet the needs of students
35.25 enrolled in an alternative education program and to enable licensed teachers instructing
35.26 those students to satisfy content area licensure requirements, the Board of Teaching
35.27 annually may permit a licensed teacher teaching in an alternative education program to
35.28 instruct students in a content area for which the teacher is not licensed, consistent with
35.29 paragraph (a).

35.30 (c) A special education license variance issued by the Board of Teaching for a
35.31 primary employer's low-incidence region ~~shall be~~ is valid in all low-incidence regions.

35.32 (d) The Board of Teaching may issue a one-year professional license under
35.33 paragraph (a), which the board may renew two times, to allow a person holding a full

36.1 credential from the American Montessori Society, a diploma from Association Montessori
 36.2 Internationale, or a certificate of completion from a program accredited by the Montessori
 36.3 Accreditation Council for Teacher Education to teach in a Montessori program operated
 36.4 by a school district or charter school.

36.5 (e) The Board of Teaching may grant a one-year waiver, renewable two times,
 36.6 to allow individuals who hold a bachelor's degree from an accredited postsecondary
 36.7 institution, demonstrate occupational competency based on at least three years of full-time
 36.8 work experience in business or industry, and enroll and make satisfactory progress in
 36.9 an alternative preparation program leading to certification or licensure as a career and
 36.10 technical education instructor or teacher to teach career and technical education courses
 36.11 offered by a school district or charter school. Consistent with this paragraph and section
 36.12 136F.361, the Board of Teaching must strongly encourage teacher preparation programs
 36.13 and institutions throughout Minnesota to develop alternative pathways for certifying and
 36.14 licensing high school career and technical education instructors and teachers, allowing
 36.15 such candidates to meet certification and licensure standards that demonstrate their content
 36.16 knowledge, classroom experience, and pedagogical practices and their qualifications
 36.17 based on a combination of occupational testing, professional certification or licensure, and
 36.18 long-standing work experience.

36.19 **EFFECTIVE DATE.** Paragraphs (d) and (e) are effective for the 2016-2017
 36.20 through 2018-2019 school years.

36.21 Sec. 23. Minnesota Statutes 2014, section 122A.16, is amended to read:

36.22 **122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

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

36.25 ~~(b) For the purposes of the federal No Child Left Behind Act, a highly qualified~~
 36.26 ~~teacher is one who holds a valid license under this chapter, including under section~~
 36.27 ~~122A.245, among other sections and is determined by local administrators as having~~
 36.28 ~~highly qualified status according to the approved Minnesota highly qualified plan.~~
 36.29 ~~Teachers delivering core content instruction must be deemed highly qualified at the local~~
 36.30 ~~level and reported to the state via the staff automated reporting system.~~

36.31 Sec. 24. Minnesota Statutes 2014, section 122A.245, subdivision 8, is amended to read:

37.1 Subd. 8. **Highly Qualified teacher.** A person holding a valid limited-term license
 37.2 under this section is a highly qualified teacher and the teacher of record under section
 37.3 122A.16.

37.4 Sec. 25. Minnesota Statutes 2015 Supplement, section 122A.30, is amended to read:

37.5 **122A.30 EXEMPTION FOR TECHNICAL EDUCATION INSTRUCTORS.**

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

37.11 (b) ~~This section expires June 30, 2020.~~

37.12 Sec. 26. Minnesota Statutes 2014, section 122A.40, subdivision 10, is amended to read:

37.13 Subd. 10. **Negotiated unrequested leave of absence.** The school board and the
 37.14 exclusive bargaining representative of the teachers ~~may~~ must negotiate a plan providing for
 37.15 unrequested leave of absence without pay or fringe benefits for as many teachers as may
 37.16 be necessary because of discontinuance of position, lack of pupils, financial limitations, or
 37.17 merger of classes caused by consolidation of districts. ~~Failing to successfully negotiate such~~
 37.18 ~~a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not include~~
 37.19 ~~provisions which would result in the exercise of seniority by a teacher holding a provisional~~
 37.20 ~~license, other than a vocational education license, contrary to the provisions of subdivision~~
 37.21 ~~11, paragraph (c), or the reinstatement of a teacher holding a provisional license, other~~
 37.22 ~~than a vocational education license, contrary to the provisions of subdivision 11, paragraph~~
 37.23 ~~(c). The provisions of section 179A.16 do not apply for the purposes of this subdivision.~~

37.24 **EFFECTIVE DATE.** This section is effective July 1, 2017.

37.25 Sec. 27. Minnesota Statutes 2014, section 122A.41, is amended by adding a
 37.26 subdivision to read:

37.27 Subd. 14a. **Negotiated unrequested leave of absence.** The school board and the
 37.28 exclusive bargaining representative of the teachers must negotiate a plan providing for
 37.29 unrequested leave of absence without pay or fringe benefits for as many teachers as may
 37.30 be necessary because of discontinuance of position, lack of pupils, financial limitations,
 37.31 or merger of classes caused by consolidation of districts.

37.32 **EFFECTIVE DATE.** This section is effective July 1, 2017.

38.1 Sec. 28. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 1,
38.2 is amended to read:

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

38.10 Sec. 29. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2,
38.11 is amended to read:

38.12 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this
38.13 program, a school district, intermediate school district, school site, or charter school must
38.14 have ~~an educational improvement plan under section 122A.413~~ a world's best workforce
38.15 plan under section 120B.11 and an alternative teacher professional pay system agreement
38.16 under paragraph (b). A charter school participant also must comply with subdivision 2a.

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

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

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

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

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

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

- 39.1 (iii) an objective evaluation program under section 122A.40, subdivision 8,
39.2 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);
- 39.3 (4) provide for participation in job-embedded learning opportunities such as
39.4 professional learning communities to improve instructional skills and learning that are
39.5 aligned with student needs under section ~~122A.413~~ 120B.11, consistent with the staff
39.6 development plan under section 122A.60 and led during the school day by trained teacher
39.7 leaders such as master or mentor teachers;
- 39.8 (5) allow any teacher in a participating school district, intermediate school district,
39.9 school site, or charter school that implements an alternative pay system to participate in
39.10 that system without any quota or other limit; and
- 39.11 (6) encourage collaboration rather than competition among teachers.
- 39.12 (c) The alternative teacher professional pay system may:
- 39.13 (1) include a hiring bonus or other added compensation for teachers who are
39.14 identified as effective or highly effective under the local teacher professional review
39.15 cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with
39.16 a majority of students whose families meet federal poverty guidelines, a geographically
39.17 isolated school, or a school identified by the state as eligible for targeted programs or
39.18 services for its students; and
- 39.19 (2) include incentives for teachers to obtain a master's degree or other advanced
39.20 certification in their content field of licensure, pursue the training or education necessary
39.21 to obtain an additional licensure in shortage areas identified by the district or charter
39.22 school, or help fund a "grow your own" new teacher initiative.

39.23 Sec. 30. Minnesota Statutes 2015 Supplement, section 122A.414, subdivision 2b,
39.24 is amended to read:

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

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

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

40.18 Sec. 31. Minnesota Statutes 2014, section 122A.4144, is amended to read:

40.19 **122A.4144 SUPPLEMENTAL AGREEMENTS; ALTERNATIVE TEACHER**
40.20 **PAY.**

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

40.27 Sec. 32. Minnesota Statutes 2014, section 122A.416, is amended to read:

40.28 **122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE**
40.29 **FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT**
40.30 **INTEGRATION COLLABORATIVES.**

40.31 Notwithstanding sections ~~122A.413~~, 122A.414, 122A.415, and 126C.10,
40.32 multidistrict integration collaboratives and the Perpich Center for Arts Education are
40.33 eligible to receive alternative teacher compensation revenue as if they were intermediate
40.34 school districts. To qualify for alternative teacher compensation revenue, a multidistrict

41.1 integration collaborative or the Perpich Center for Arts Education must meet all of the
 41.2 requirements of sections ~~122A.413~~, 122A.414, and 122A.415 that apply to intermediate
 41.3 school districts, must report its enrollment as of October 1 of each year to the department,
 41.4 and must annually report its expenditures for the alternative teacher professional pay
 41.5 system consistent with the uniform financial accounting and reporting standards to the
 41.6 department by November 30 of each year.

41.7 Sec. 33. Minnesota Statutes 2014, section 122A.42, is amended to read:

41.8 **122A.42 GENERAL CONTROL OF SCHOOLS.**

41.9 (a) The teacher of record shall have the general control and government of the
 41.10 school and classroom. When more than one teacher is employed in any district, one of the
 41.11 teachers may be designated by the board as principal and shall have the general control
 41.12 and supervision of the schools of the district, subject to the general supervisory control
 41.13 of the board and other officers.

41.14 (b) Consistent with paragraph (a), the teacher may remove students from class under
 41.15 section 121A.61, subdivision 2, for violent or disruptive conduct or other misconduct.

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

41.18 Sec. 34. **[122A.421] SCHOOL CLIMATE AND SAFETY.**

41.19 Beginning with agreements effective July 1, 2017, and thereafter, all collective
 41.20 bargaining agreements for teachers under chapter 179A may include school climate
 41.21 and student and staff safety provisions related to establishing and maintaining safe and
 41.22 supportive classrooms and school sites and a districtwide educational climate that is
 41.23 conducive to student learning and a supportive working environment for teachers and
 41.24 other staff.

41.25 **EFFECTIVE DATE.** This section is effective July 1, 2017.

41.26 Sec. 35. Minnesota Statutes 2015 Supplement, section 122A.60, subdivision 4, is
 41.27 amended to read:

41.28 Subd. 4. **Staff development report.** (a) ~~By October 15 of each year,~~ The district
 41.29 and site staff development committees shall write ~~and submit~~ a report of staff development
 41.30 activities and expenditures for the previous year, ~~in the form and manner determined by~~
 41.31 ~~the commissioner.~~ The report, signed by the district superintendent and staff development
 41.32 chair, must include assessment and evaluation data indicating progress toward district and

42.1 site staff development goals based on teaching and learning outcomes, including the
 42.2 percentage of teachers and other staff involved in instruction who participate in effective
 42.3 staff development activities under subdivision 3 as part of the district's world's best
 42.4 workforce report under section 120B.11, subdivision 5.

42.5 (b) The report must break down expenditures for:

42.6 (1) curriculum development and curriculum training programs; and

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

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

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

42.17 Sec. 36. Minnesota Statutes 2014, section 122A.72, subdivision 5, is amended to read:

42.18 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according
 42.19 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment
 42.20 with the use of multiple instructional approaches, assess pupil outcomes, assess staff
 42.21 development needs and plans, and teach school personnel about effective pedagogical
 42.22 approaches. The center shall develop and produce curricula and curricular materials
 42.23 designed to meet the educational needs of pupils being served, by applying educational
 42.24 research and new and improved methods, practices, and techniques. The center shall
 42.25 provide programs to improve the skills of teachers to meet the special educational needs of
 42.26 pupils. The center shall provide programs to familiarize teachers with developments in
 42.27 curriculum formulation and educational research, including how research can be used to
 42.28 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,
 42.29 and approaches directly related to classroom instruction and improve teachers' familiarity
 42.30 with current teaching materials and products for use in their classrooms. The center shall
 42.31 provide in-service programs.

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

43.1 (1) high quality professional development programs in mathematics and science that
43.2 address curriculum, instructional methods, alignment of standards, and performance
43.3 measurements, enhance teacher and student learning, and support state mathematics and
43.4 science standards; and

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

43.8 Sec. 37. Minnesota Statutes 2014, section 123B.49, subdivision 4, is amended to read:

43.9 Subd. 4. **Board control of extracurricular activities.** (a) The board may take
43.10 charge of and control all extracurricular activities of the teachers and children of the public
43.11 schools in the district. Extracurricular activities means all direct and personal services
43.12 for pupils for their enjoyment that are managed and operated under the guidance of an
43.13 adult or staff member. The board shall allow all resident pupils receiving instruction in a
43.14 home school as defined in section 123B.36, subdivision 1, paragraph (a), and all resident
43.15 pupils enrolled in an online public school program to be eligible to fully participate in
43.16 extracurricular activities on the same basis as public school students.

43.17 (b) Extracurricular activities have all of the following characteristics:

43.18 (1) they are not offered for school credit nor required for graduation;

43.19 (2) they are generally conducted outside school hours, or if partly during school
43.20 hours, at times agreed by the participants, and approved by school authorities;

43.21 (3) the content of the activities is determined primarily by the pupil participants
43.22 under the guidance of a staff member or other adult.

43.23 (c) If the board does not take charge of and control extracurricular activities, these
43.24 activities shall be self-sustaining with all expenses, except direct salary costs and indirect
43.25 costs of the use of school facilities, met by dues, admissions, or other student fund-raising
43.26 events. The general fund must reflect only those salaries directly related to and readily
43.27 identified with the activity and paid by public funds. Other revenues and expenditures for
43.28 extra curricular activities must be recorded according to the Manual for Activity Fund
43.29 Accounting. Extracurricular activities not under board control must have an annual
43.30 financial audit and must also be audited annually for compliance with this section.

43.31 (d) If the board takes charge of and controls extracurricular activities, any or all
43.32 costs of these activities may be provided from school revenues and all revenues and
43.33 expenditures for these activities shall be recorded in the same manner as other revenues
43.34 and expenditures of the district.

44.1 (e) If the board takes charge of and controls extracurricular activities, the teachers or
44.2 pupils in the district must not participate in such activity, nor shall the school name or any
44.3 allied name be used in connection therewith, except by consent and direction of the board.

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

44.6 Sec. 38. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,
44.7 is amended to read:

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

44.11 (1) the school is on a development plan for continuous improvement under section
44.12 120B.35, subdivision 2; or

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

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

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

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

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

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

44.32 (2) the school leadership team must be responsible for overseeing the baseline
44.33 analyses under paragraph (f). A school leadership team must have ongoing responsibility
44.34 for monitoring the development and implementation of full-service community school
44.35 operations and programming at the school site and shall issue recommendations to schools

45.1 on a regular basis and summarized in an annual report. These reports shall also be made
45.2 available to the public at the school site and on school and district Web sites.

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

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

45.7 (i) identification of challenges facing the school;

45.8 (ii) analysis of the student body, including:

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

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

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

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

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

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

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

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

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

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

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

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

46.1 documentation of individuals in the community, faith-based organizations, community and
46.2 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
46.3 agencies who may be able to provide support and resources; and

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

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

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

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

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

46.12 (1) early childhood:

46.13 (i) early childhood education; and

46.14 (ii) child care services;

46.15 (2) academic:

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

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

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

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

46.21 (v) specialized instructional support services;

46.22 (3) parental involvement:

46.23 (i) programs that promote parental involvement and family literacy, ~~including the~~
46.24 ~~Reading First and Early Reading First programs authorized under part B of title I of the~~
46.25 ~~Elementary and Secondary Education Act of 1965, United States Code, title 20, section~~
46.26 ~~6361, et seq.;~~

46.27 (ii) parent leadership development activities; and

46.28 (iii) parenting education activities;

46.29 (4) mental and physical health:

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

46.32 (ii) juvenile crime prevention and rehabilitation programs;

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

46.34 (iv) developmentally appropriate physical education;

46.35 (v) nutrition services;

46.36 (vi) primary health and dental care; and

- 47.1 (vii) mental health counseling services;
- 47.2 (5) community involvement:
- 47.3 (i) service and service-learning opportunities;
- 47.4 (ii) adult education, including instruction in English as a second language; and
- 47.5 (iii) homeless prevention services;
- 47.6 (6) positive discipline practices; and
- 47.7 (7) other programming designed to meet school and community needs identified in
- 47.8 the baseline analysis and reflected in the full-service community school plan.
- 47.9 (h) The school leadership team at each school site must develop a full-service
- 47.10 community school plan detailing the steps the school leadership team will take, including:
- 47.11 (1) timely establishment and consistent operation of the school leadership team;
- 47.12 (2) maintenance of attendance records in all programming components;
- 47.13 (3) maintenance of measurable data showing annual participation and the impact
- 47.14 of programming on the participating children and adults;
- 47.15 (4) documentation of meaningful and sustained collaboration between the school
- 47.16 and community stakeholders, including local governmental units, civic engagement
- 47.17 organizations, businesses, and social service providers;
- 47.18 (5) establishment and maintenance of partnerships with institutions, such as
- 47.19 universities, hospitals, museums, or not-for-profit community organizations to further the
- 47.20 development and implementation of community school programming;
- 47.21 (6) ensuring compliance with the district nondiscrimination policy; and
- 47.22 (7) plan for school leadership team development.

47.23 Sec. 39. Minnesota Statutes 2014, section 124D.59, is amended by adding a

47.24 subdivision to read:

47.25 Subd. 9. **English learner data.** When data on English learners are reported for

47.26 purposes of educational accountability, English learner data must include all pupils

47.27 enrolled in a Minnesota public school course or program who are currently or were

47.28 previously counted as English learners under this section.

47.29 **EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and

47.30 later.

47.31 Sec. 40. Minnesota Statutes 2015 Supplement, section 124D.73, subdivision 4, is

47.32 amended to read:

47.33 Subd. 4. **Participating school; American Indian school.** "Participating school"

47.34 and "American Indian school" mean a school that:

48.1 (1) is not operated by a school district; and
 48.2 (2) is eligible for a grant under federal Title ~~VH~~ VI of the Elementary and Secondary
 48.3 Education Act for the education of American Indian children.

48.4 Sec. 41. Minnesota Statutes 2014, section 124D.861, subdivision 1, is amended to read:

48.5 Subdivision 1. **Program to close the academic achievement and opportunity gap;**
 48.6 **revenue uses.** (a) The "Achievement and Integration for Minnesota" program is established
 48.7 to pursue racial and economic integration and increase student academic achievement,
 48.8 create equitable educational opportunities, and reduce academic disparities based on
 48.9 students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

48.10 (b) For purposes of this section and section 124D.862, "eligible district" ~~means a~~
 48.11 ~~district required to submit a plan to the commissioner under Minnesota Rules governing~~
 48.12 ~~school desegregation and integration, or be a member of a multidistrict integration~~
 48.13 ~~collaborative that files a plan with the commissioner~~ has the meaning given in subdivision
 48.14 1a.

48.15 (c) Eligible districts must use the revenue under section 124D.862 to pursue
 48.16 academic achievement and racial and economic integration through: (1) integrated
 48.17 learning environments that prepare all students to be effective citizens and enhance
 48.18 social cohesion; (2) policies and curricula and trained instructors, administrators, school
 48.19 counselors, and other advocates to support and enhance integrated learning environments
 48.20 under this section, including through magnet schools, innovative, research-based
 48.21 instruction, differentiated instruction, and targeted interventions to improve achievement;
 48.22 and (3) rigorous career and college readiness programs for underserved student
 48.23 populations, consistent with section 120B.30, subdivision 1; integrated learning
 48.24 environments to increase student academic achievement; cultural fluency, competency,
 48.25 and interaction; graduation and educational attainment rates; and parent involvement.

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

48.27 Sec. 42. Minnesota Statutes 2014, section 124D.861, is amended by adding a
 48.28 subdivision to read:

48.29 Subd. 1a. **Definitions.** (a) "Racially identifiable school within a district" means a
 48.30 school where the enrollment of protected students at the school within a district is more
 48.31 than 20 percentage points above the enrollment of protected students in the entire district
 48.32 for the grade levels served by that school.

49.1 (b) "Racially isolated school district" means a district where the districtwide
 49.2 enrollment of protected students exceeds the enrollment of protected students of any
 49.3 adjoining district by more than 20 percentage points.

49.4 (c) "School" means a site in a public school district serving any of kindergarten
 49.5 through grade 12. For purposes of this section and section 124D.862, school does not mean:

49.6 (1) a charter school under chapter 124E;

49.7 (2) an area learning center under section 123A.05;

49.8 (3) a public alternative program under section 126C.05, subdivision 15;

49.9 (4) a contracted alternative program under section 124D.69;

49.10 (5) a school site specifically designed to address limited English proficiency;

49.11 (6) a school site specifically designed to address the needs of students with an
 49.12 individualized education program (IEP); or

49.13 (7) a secure or nonsecure treatment facility licensed by the Department of Human
 49.14 Services or the Department of Corrections.

49.15 (d) "Eligible district" means:

49.16 (1) a racially isolated independent, common, or special school district;

49.17 (2) an adjoining, independent, common, or special school district that files a plan
 49.18 with the commissioner; or

49.19 (3) an independent, common, or special school district that is a member of a
 49.20 multidistrict integration collaborative that files a plan with the commissioner.

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

49.22 Sec. 43. **[124D.8957] PREKINDERGARTEN THROUGH GRADE 12**
 49.23 **PARENTAL RIGHTS CODED ELSEWHERE.**

49.24 Subdivision 1. **Scope.** The sections referred to in subdivisions 2 to 30 are codified
 49.25 outside this section. Those sections include many but not all the sections governing
 49.26 parental rights related to topics in prekindergarten through grade 12 education.

49.27 Subd. 2. **Compulsory instruction.** Parental rights related to compulsory instruction,
 49.28 including the right to withdraw a child from school; to receive notice related to transfer of
 49.29 disciplinary records; to excuse a child from school for illnesses, appointments, or religious
 49.30 events; and the right of noncustodial parents to access school records and conferences,
 49.31 among other rights, are governed by section 120A.22.

49.32 Subd. 3. **Longitudinal data.** The parental right to annual summary longitudinal
 49.33 performance and progress data is governed by section 120B.31.

49.34 Subd. 4. **Antibullying.** Parental rights related to school district antibullying
 49.35 policies, including the right to be involved in developing the policies, the right to be

50.1 notified of incidents of prohibited conduct, and the right to be informed of data practices
50.2 laws, are governed by section 121A.031.

50.3 Subd. 5. **Student discipline policies.** The parental right to notice in student
50.4 discipline policies of rights under the Safe and Supportive Minnesota Schools Act is
50.5 governed by section 121A.0311.

50.6 Subd. 6. **Early childhood development screening.** Parental rights to certain notice
50.7 requirements related to early childhood development screening and to receive results of
50.8 early childhood development screening are governed by section 121A.17. The parental
50.9 right to provide consent before individual screening data may be disclosed to a school
50.10 district is governed by section 121A.18.

50.11 Subd. 7. **Chemical abuse.** The parental right to be informed of a reported case of
50.12 chemical abuse by a minor student is governed by section 121A.26.

50.13 Subd. 8. **Pesticides.** The parental right to be notified regarding the use of pesticides
50.14 at a school is governed by the Janet B. Johnson Parents' Right-to-Know Act under section
50.15 121A.30.

50.16 Subd. 9. **Student dismissal.** The parental right to notice and a meeting regarding
50.17 the removal of a student for more than ten days is governed by section 121A.45.

50.18 Subd. 10. **Exclusion and expulsion.** The parental right to be included in exclusion
50.19 or expulsion hearing procedures, including access to records, ability to testify and present
50.20 evidence, and inclusion in the student's readmission plan, is governed by section 121A.47.

50.21 Subd. 11. **Exclusion and expulsion appeal.** The parental right to notice of the right
50.22 to appeal an exclusion or expulsion decision is governed by section 121A.49.

50.23 Subd. 12. **Reinstatement after termination of dismissal.** The parental right to
50.24 notice of a student's right to be reinstated after the termination of dismissal is governed
50.25 by section 121A.54.

50.26 Subd. 13. **Interdistrict cooperation.** The parental right to notice of an
50.27 informational school board meeting relating to discontinuing interdistrict cooperation
50.28 is governed by section 123A.32.

50.29 Subd. 14. **Background checks.** The parental right to notice of a school's
50.30 background check policy for hiring teachers is governed by section 123B.03.

50.31 Subd. 15. **Textbook fees.** The parental right to notice of a school board's policy to
50.32 charge fees for textbooks lost or destroyed by students is governed by section 123B.37.

50.33 Subd. 16. **Transportation privileges.** The parental right to surrender a student's
50.34 privilege to receive transportation services from a school district is governed by section
50.35 123B.88.

51.1 Subd. 17. **Nonresident district policies.** The parental right to receive notice of: a
51.2 decision on an application by a student to attend school in a nonresident district; the
51.3 transportation policies of the nonresident district; and the right to be reimbursed for costs
51.4 of transportation to the nonresident district's border are governed by section 124D.03.

51.5 Subd. 18. **Out-of-state districts.** Under section 124D.04, the parental rights related
51.6 to a student attending a nonresident district under section 124D.03 apply to a student
51.7 attending an out-of-state district.

51.8 Subd. 19. **Free or reduced-price lunch eligibility.** The parental right to opt a child
51.9 out of disclosing a child's eligibility for free or reduced-price lunch to the Department of
51.10 Education and the Department of Human Services is governed by section 124D.1115.

51.11 Subd. 20. **Learning year programs.** The parental right to notice of optional
51.12 learning year programs is governed by section 124D.128.

51.13 Subd. 21. **English learners programs.** Parental rights related to student enrollment
51.14 in programs for English learners, including notice, withdrawal, and parental involvement,
51.15 are governed by section 124D.60.

51.16 Subd. 22. **Charter school transportation.** The parental right to receive
51.17 pupil transportation information from the charter school or school district providing
51.18 transportation services to a charter school student is governed by section 123B.88.

51.19 Subd. 23. **Services for children with disabilities.** The parental right to be included
51.20 in determining the appropriate and necessary services for students with disabilities is
51.21 governed by section 125A.027.

51.22 Subd. 24. **Data on children with disabilities.** The parental right to notice and
51.23 involvement regarding online reporting of data related to children with disabilities is
51.24 governed by section 125A.085.

51.25 Subd. 25. **Special education alternative dispute resolution.** Parental rights
51.26 regarding notice, participation, and due process related to special education alternative
51.27 dispute resolution procedures are governed by section 125A.091.

51.28 Subd. 26. **Third-party reimbursement for children with disabilities.** The
51.29 parental right to notice of a school district seeking reimbursement from medical assistance
51.30 or MinnesotaCare for services rendered to a student with a disability is governed by
51.31 section 125A.21.

51.32 Subd. 27. **Services provided to children with disabilities.** Parental rights
51.33 related to services provided to students eligible for Part C services under the Individuals
51.34 with Disabilities Education Act and the right to receive written materials regarding the
51.35 implementation of Part C services are governed by sections 125A.42 and 125A.48. The

52.1 parental right to use mediation to resolve disputes under section 125A.42 is governed
 52.2 by section 125A.43.

52.3 Subd. 28. **Minnesota State Academies discharge.** The parental right to notice of a
 52.4 student's discharge from the Minnesota State Academies is governed by section 125A.68.

52.5 Subd. 29. **Education records for military children.** The parental right to education
 52.6 records under the Interstate Compact on Educational Opportunity for Military Children
 52.7 is governed by section 127A.85.

52.8 Subd. 30. **Appeal adverse school board decision.** The parental right to appeal a
 52.9 school board decision adversely affecting an academic program of an enrolled student is
 52.10 governed by section 129C.10, subdivision 36.

52.11 Sec. 44. Minnesota Statutes 2014, section 124D.896, is amended to read:

52.12 **124D.896 DESEGREGATION/INTEGRATION AND INCLUSIVE**
 52.13 **EDUCATION RULES.**

52.14 (a) The commissioner shall propose rules relating to desegregation/integration and
 52.15 inclusive education, consistent with sections 124D.861 and 124D.862.

52.16 (b) In adopting a rule related to school desegregation/integration, the commissioner
 52.17 shall address the need for equal educational opportunities for all students and racial
 52.18 balance as defined by the commissioner.

52.19 (c) The commissioner must not adopt or enforce by rule a definition of "eligible
 52.20 district" that expands or conflicts with the statutory definition of eligible district.

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

52.22 Sec. 45. Minnesota Statutes 2015 Supplement, section 127A.05, subdivision 6, is
 52.23 amended to read:

52.24 Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's
 52.25 school districts and teacher preparation programs and report to the education committees
 52.26 of the legislature by February 1 of each odd-numbered year on the status of teacher early
 52.27 retirement patterns, the access to effective and more diverse teachers who reflect the
 52.28 students under section 120B.35, subdivision 3, paragraph (b), clause (2), enrolled in
 52.29 a district or school, the teacher shortage, and the substitute teacher shortage, including
 52.30 patterns and shortages in subject areas and the economic development regions of the state.
 52.31 The report must also include: aggregate data on teachers' self-reported race and ethnicity;
 52.32 data on how districts are making progress in hiring teachers and substitutes in the areas
 52.33 of shortage; and a five-year projection of teacher demand for each district, taking into

53.1 account the students under section 120B.35, subdivision 3, paragraph (b), clause (2),
 53.2 expected to enroll in the district during that five-year period.

53.3 Sec. 46. **[127A.053] STATE ADMINISTRATION OF STUDENT SURVEY**
 53.4 **INSTRUMENTS GENERALLY PROHIBITED.**

53.5 Notwithstanding other law to the contrary, and with the exception of section
 53.6 120B.35, subdivision 3, paragraph (d), the commissioner must not develop, coordinate,
 53.7 assist with, or use a statewide student survey seeking information about a student's
 53.8 activities, opinions, behaviors, or experiences related to substance abuse, tobacco use,
 53.9 connections with family, healthy eating, high school students' gambling and sexual
 53.10 activities, or out-of-school activities, among other topics.

53.11 Sec. 47. Minnesota Statutes 2014, section 127A.095, is amended to read:

53.12 **127A.095 IMPLEMENTATION OF NO CHILD LEFT BEHIND ACT**
 53.13 **ELEMENTARY AND SECONDARY EDUCATION ACT.**

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

53.17 ~~Subd. 2. **No Child Left Behind review.** (a) The legislature intends to require~~
 53.18 ~~the Department of Education to conduct a comprehensive review of the consolidated~~
 53.19 ~~state plan the state submitted to the federal Department of Education to implement the~~
 53.20 ~~No Child Left Behind Act. The Minnesota Department of Education shall seek waivers~~
 53.21 ~~under paragraph (b). If the Department of Education is unable to obtain waivers under~~
 53.22 ~~paragraph (b), it should recommend in its report under paragraph (b) whether the state~~
 53.23 ~~should opt out of the No Child Left Behind Act.~~

53.24 ~~(b) The commissioner, by January 15, 2008, shall report to the house of~~
 53.25 ~~representatives and senate committees having jurisdiction over kindergarten through grade~~
 53.26 ~~12 education policy and finance whether the department has received approval from~~
 53.27 ~~the federal Department of Education to:~~

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

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

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

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

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

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

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

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

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

54.18 Sec. 48. Minnesota Statutes 2014, section 129C.10, subdivision 1, is amended to read:

54.19 Subdivision 1. **Governance.** (a) The board of the Perpich Center for Arts Education
 54.20 shall consist of 13 persons, one of whom must have served as a school administrator or
 54.21 as an elected school board member, one of whom is a locally or regionally recognized
 54.22 professional artist, one of whom is a secondary or postsecondary arts educator, and a
 54.23 licensed secondary arts teacher and a licensed secondary teacher teaching a core academic
 54.24 subject area, one of whom is a Crosswinds school employee, and one of whom is a Perpich
 54.25 Center for Arts Education employee. The members of the board shall be appointed by
 54.26 the governor with the advice and consent of the senate. At least one member must be
 54.27 appointed from each congressional district.

54.28 (b) A seven-member nominating committee composed of one member appointed
 54.29 by the Minnesota Association of School Administrators, one member appointed by the
 54.30 Minnesota State Arts Board, one member appointed by the Minnesota School Boards
 54.31 Association, one member appointed by the Minnesota Music Educators Association, one
 54.32 member appointed by the Arts Educators of Minnesota, one member appointed jointly by
 54.33 the exclusive representatives of the employees of the Perpich Center for Arts Education,
 54.34 all six appointees of whom are subject to the governor's approval, and one member
 54.35 appointed by the governor shall meet at least 60 days before the date on which the next

55.1 expiring board member's term is set to expire or within 15 days of receiving notice of a
55.2 board vacancy occurring at a time other than at the end of a board member's term to
55.3 prepare and submit a list of recommended candidates to the governor for the governor
55.4 to consider when appointing members of the Perpich Center for Arts Education Board.
55.5 Board members' terms must be staggered, consistent with section 15.0575, subdivision 2.

55.6 (c) All board members must complete board training requirements consistent with
55.7 section 127A.19.

55.8 (d) The terms of existing board members expire on September 1, 2016, but board
55.9 members may continue to serve until the governor appoints their successors.

55.10 **EFFECTIVE DATE.** This section is effective the day following final enactment
55.11 and applies to board member terms and appointments made after that date.

55.12 Sec. 49. **[129C.12] PUBLIC INFORMATION.**

55.13 Subdivision 1. **Board minutes.** The board must post the minutes of its meetings on
55.14 its official Web site and supplemental board materials, information, and budget documents
55.15 consistent with Minnesota Management and Budget financial management and reporting
55.16 requirements.

55.17 Subd. 2. **Annual report.** Consistent with section 123B.10, requiring school boards
55.18 to annually publish financial information on the district's official Web site, the board
55.19 must prepare and post on its official Web site an annual report summarizing Perpich
55.20 Center finances and, consistent with section 120B.36, subdivision 1, requiring school
55.21 and district accountability data, also post on its official Web site longitudinal data on
55.22 student enrollment and students' congressional districts of residence, graduation rates, and
55.23 postgraduation student placements.

55.24 Subd. 3. **World's best workforce.** Consistent with section 120B.11, governing the
55.25 world's best workforce, the board must prepare and post a comprehensive, long-term
55.26 strategic improvement plan and report plan strategies, activities, practices, and outcomes
55.27 on its official Web site.

55.28 Subd. 4. **Audit report.** (a) The Perpich Center for Arts Education is subject to an
55.29 annual independent audit. The audit must be conducted in compliance with generally
55.30 accepted governmental auditing standards and the federal Single Audit Act, if applicable.
55.31 The legislative auditor or Department of Education may conduct financial, program, or
55.32 compliance audits, and may direct the Perpich Center for Arts Education to include any
55.33 additional items in its annual independent audit.

56.1 (b) Upon approval from the Department of Education, the Perpich Center for Arts
 56.2 Education may combine this audit with its required annual audit of the Crosswinds Arts
 56.3 and Science School.

56.4 (c) The Perpich Center for Arts Education must post its most recent audit on its
 56.5 Web site.

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

56.7 Sec. 50. Minnesota Statutes 2015 Supplement, section 136F.302, subdivision 1,
 56.8 is amended to read:

56.9 Subdivision 1. **ACT college ready score.** A state college or university ~~may~~ must
 56.10 not require an individual to take a remedial, noncredit course in a subject area if the
 56.11 individual has received a college ready ACT score in that subject area. Each state college
 56.12 and university must post notice of the exemption from remedial course taking on its Web
 56.13 page explaining student admission requirements.

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

56.16 Sec. 51. **[136F.3025] MINNESOTA COMPREHENSIVE ASSESSMENTS;**
 56.17 **CAREER AND COLLEGE-READY BENCHMARKS.**

56.18 A state college or university must not require an individual to take a remedial,
 56.19 noncredit course in a subject area if the individual met a career and college-ready Minnesota
 56.20 Comprehensive Assessment benchmark in that subject area, consistent with section
 56.21 120B.30, subdivision 1, paragraph (m). When notifying students and their families about
 56.22 test results under section 120B.30, subdivision 1, paragraph (m), the commissioner shall
 56.23 include a statement indicating that students who meet a career and college-ready Minnesota
 56.24 Comprehensive Assessment benchmark are not required to take a remedial, noncredit
 56.25 course at a Minnesota state college or university in the corresponding subject area.

56.26 **EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and
 56.27 later.

56.28 Sec. 52. **[136F.361] CAREER AND TECHNICAL EDUCATION**
 56.29 **CERTIFICATION AND LICENSURE.**

56.30 The Board of Trustees of the Minnesota State Colleges and Universities System,
 56.31 consistent with section 122A.09, subdivision 10, paragraph (e), must provide an
 56.32 alternative preparation program allowing individuals to be certified or licensed as a career

57.1 and technical education instructor or teacher able to teach career and technical education
57.2 courses offered by a school district or charter school. The Board of Trustees may locate
57.3 the first program in the seven county metropolitan area.

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

57.6 Sec. 53. Laws 2010, chapter 396, section 7, the effective date, is amended to read:

57.7 **EFFECTIVE DATE.** This section is effective the day following final enactment,
57.8 including subdivision 3 which is effective through the 2020-2021 school year.

57.9 Sec. 54. Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312,
57.10 article 15, section 24, is amended to read:

57.11 Section 1. **INNOVATIVE DELIVERY OF CAREER AND TECHNICAL**
57.12 **EDUCATION PROGRAMS AND SERVICES AND SHARING OF DISTRICT**
57.13 **RESOURCES; ~~PILOT PROJECT.~~**

57.14 Subdivision 1. **Establishment; requirements for participation.** (a) A ~~pilot project~~
57.15 program is established to improve student, career and college readiness, and school
57.16 outcomes by allowing groups of school districts to work together in partnership with local
57.17 and regional postsecondary institutions and programs, community institutions, and other
57.18 private, public, for-profit, and nonprofit workplace partners to:

57.19 (1) provide innovative education programs and activities that integrate core
57.20 academic and career and technical subjects in students' programs of study through
57.21 coordinated secondary and postsecondary career and technical programs leading to an
57.22 industry certification or other credential;

57.23 (2) provide embedded professional development for program participants;

57.24 (3) use performance assessments in authentic settings to measure students' technical
57.25 skills and progress toward attaining an industry certification or other credential; and

57.26 (4) efficiently share district, institution, and workplace resources. ~~The pilot project~~
57.27 ~~may last until June 30, 2018, or for up to five years, whichever is less, except that~~
57.28 ~~innovation partnerships formed during the period of the pilot project may continue past~~
57.29 ~~June 30, 2018, with the agreement of the partnership members.~~

57.30 (b) To participate in this pilot project program to improve student, career and college
57.31 readiness, and school outcomes, a group of two or more school districts must collaborate
57.32 with school staff and project partners and receive formal school board approval to form a
57.33 partnership. The partnership must develop a plan to provide challenging programmatic

58.1 options for students under paragraph (a), create professional development opportunities
 58.2 for educators and other program participants, increase student engagement and connection
 58.3 and challenging learning opportunities for diverse populations of students that are focused
 58.4 on employability skills and technical, job-specific skills related to a specific career
 58.5 pathway, or demonstrate efficiencies in delivering financial and other services needed to
 58.6 realize plan goals and objectives. The plan must ~~establish~~ include:

- 58.7 (1) collaborative educational goals and objectives;
- 58.8 (2) strategies and processes to implement those goals and objectives, including a
 58.9 budget process with periodic expenditure reviews;
- 58.10 (3) valid and reliable measures, including performance assessments in authentic
 58.11 settings and progress toward attaining an industry certification or other credential, among
 58.12 other measures, to evaluate progress in realizing the goals and objectives;
- 58.13 (4) an implementation timeline; and
- 58.14 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee
 58.15 schedules, and legal considerations needed to fully implement the plan.

58.16 A partnership may invite additional districts or other participants under paragraph
 58.17 (a) to join the partnership ~~during the pilot project term~~ after notifying the commissioner.

58.18 (c) A partnership of interested districts must ~~apply by February 1 of any year~~ submit
 58.19 an application to the education commissioner in the form and manner the commissioner
 58.20 determines, consistent with the requirements of this section. The application must contain
 58.21 the formal approval adopted by the school board in each district to participate in the plan.

58.22 (d) Notwithstanding other law to the contrary, a participating school district under
 58.23 this section continues to: receive revenue and maintain its taxation authority; be organized
 58.24 and governed by an elected school board with general powers under Minnesota Statutes,
 58.25 section 123B.02; and be subject to employment agreements under Minnesota Statutes,
 58.26 chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue
 58.27 to remain employees of the employing school district.

58.28 (e) Participating districts must submit a biennial report by February 1 of each
 58.29 odd-numbered year to the committees of the legislature with jurisdiction over kindergarten
 58.30 through grade 12 education and the commissioner of education that includes performance
 58.31 assessment, high school graduation, and career and technical certification data to show the
 58.32 success of the partnership in preparing diverse populations of students for careers and jobs.

58.33 Subd. 2. **Commissioner's role.** Interested groups of school districts must submit
 58.34 a completed application to the commissioner ~~by March 1 of~~ in any year in the form and
 58.35 manner determined by the commissioner. The education commissioner must convene
 58.36 an advisory panel ~~composed of a teacher appointed by Education Minnesota, a school~~

59.1 principal appointed by the Minnesota Association of Secondary School Principals, a
 59.2 school board member appointed by the Minnesota School Boards Association, and a
 59.3 school superintendent appointed by the Minnesota Association of School Administrators
 59.4 to advise the commissioner on applicants' qualifications to participate in this pilot project
 59.5 program. The commissioner may select up to six qualified applicants under subdivision 1
 59.6 by April 1 of any year to participate in this pilot project, ensuring must ensure an equitable
 59.7 geographical distribution of project program participants to the extent practicable. The
 59.8 commissioner must select only those applicants that fully comply with the requirements in
 59.9 subdivision 1. The commissioner must may terminate a project program participant that
 59.10 fails to effectively implement the goals and objectives contained in its application and
 59.11 according to its stated timeline.

59.12 ~~Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot~~
 59.13 ~~project data to the commissioner in the form and manner determined by the commissioner.~~
 59.14 ~~The education commissioner must analyze participating districts' progress in realizing~~
 59.15 ~~their educational goals and objectives to work together in providing innovative education~~
 59.16 ~~programs and activities and sharing resources. The commissioner must include the~~
 59.17 ~~analysis of best practices in a report to the legislative committees with jurisdiction over~~
 59.18 ~~kindergarten through grade 12 education finance and policy on the efficacy of this pilot~~
 59.19 ~~project. The commissioner shall submit an interim project report by February 1, 2016, and~~
 59.20 ~~must submit a final report to the legislature by February 1, 2019, recommending whether~~
 59.21 ~~or not to continue or expand the pilot project.~~

59.22 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment
 59.23 and applies to applications submitted after that date.

59.24 (b) Districts already approved for an innovation zone pilot project may continue to
 59.25 operate under Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter
 59.26 312, article 15, section 24.

59.27 Sec. 55. Laws 2015, chapter 69, article 1, section 3, subdivision 28, is amended to read:

59.28			200,000
59.29	Subd. 28. Teacher Shortage Loan Forgiveness	200,000	<u>1,200,000</u>

59.30 For the loan forgiveness program under
 59.31 Minnesota Statutes, section 136A.1791.

59.32 The commissioner may use no more
 59.33 than three percent of this appropriation
 59.34 to administer the program under this

60.1 subdivision. The base for the program for
 60.2 fiscal year 2018 and later is \$200,000.

60.3 **EFFECTIVE DATE.** This section is effective the day following final enactment,
 60.4 and any unexpended funds in fiscal year 2017 do not cancel and remain available until
 60.5 June 30, 2019.

60.6 Sec. 56. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 60.7 2, is amended to read:

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

60.10		78,331,000		
60.11	\$	<u>78,667,000</u>	.....	2016
60.12		87,147,000		
60.13	\$	<u>89,049,000</u>	.....	2017

60.14 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$70,901,000
 60.15 for 2016.

60.16 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~
 60.17 \$81,173,000 for 2017.

60.18 Sec. 57. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 60.19 6, is amended to read:

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

60.22	\$	6,125,000	.....	2016
60.23		6,125,000		
60.24	\$	<u>7,625,000</u>	.....	2017

60.25 Any balance ~~in the first year does not cancel~~ but is available in the second year through
 60.26 June 30, 2019. The base appropriation for fiscal year 2018 and later years is \$5,625,000.

60.27 Sec. 58. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 60.28 12, is amended to read:

60.29 Subd. 12. **Collaborative urban educator.** (a) For the collaborative urban educator
 60.30 grant program:

60.31	\$	780,000	.....	2016
60.32		780,000		
60.33	\$	<u>2,780,000</u>	.....	2017

61.1 (b) Grants shall be awarded in equal amounts: \$195,000 each year is for the Southeast
61.2 Asian teacher program at Concordia University, St. Paul; \$195,000 each year is for the
61.3 collaborative urban educator program at the University of St. Thomas; \$195,000 each year
61.4 is for the Center for Excellence in Urban Teaching at Hamline University; and \$195,00
61.5 \$195,000 each year is for the East Africa Student to Teacher program at Augsburg College.
61.6 In fiscal year 2017 only, in addition to the amounts awarded under this paragraph, the
61.7 institutions identified in this paragraph may receive additional funding under paragraph (c).

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

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

61.12 (c) A Minnesota teacher preparation program, a district Grow Your Own teacher
61.13 program, a nonconventional teacher preparation program under Minnesota Rules, part
61.14 8705.2300, or an alternative teacher preparation program under Minnesota Statutes,
61.15 section 122A.245, may apply to the commissioner of education for a grant in the form and
61.16 manner determined by the commissioner. The commissioner may award grants of up to
61.17 two years to the extent funds are available. The commissioner annually must award at
61.18 least 50 percent of grant funds to nonconventional and alternative preparation programs,
61.19 giving priority to funding programs that:

61.20 (1) recruit, retain, graduate, and place teacher candidates who reflect the
61.21 demographic diversity of the students enrolled in the district where the teacher candidate
61.22 is placed and provide the teachers with well-qualified mentor teachers; or

61.23 (2) train and place teacher candidates in subject areas or regions of the state
61.24 identified by the commissioner as shortage areas under Minnesota Statutes, section
61.25 127A.05, subdivision 6.

61.26 (d) A grant recipient under this subdivision, annually by January 15, must prepare a
61.27 report for the commissioner of education and the kindergarten through grade 12 and
61.28 higher education committees of the legislature in the form and manner determined by the
61.29 commissioner. At a minimum, the report must detail grant expenditures for the previous
61.30 year and summarize program outcomes based on teacher preparation and performance
61.31 data consistent with paragraph (c) and Minnesota Statutes, section 122A.09, subdivision
61.32 4a, paragraph (b).

61.33 (e) This appropriation is available until June 30, 2019. The base appropriation
61.34 for fiscal year 2018 and later is \$780,000.

62.1 Sec. 59. Laws 2015, First Special Session chapter 3, article 3, section 15, subdivision
 62.2 3, is amended to read:

62.3 Subd. 3. **ACT test College entrance examination reimbursement.** To reimburse
 62.4 districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision
 62.5 1, paragraph (e), for onetime payment of their ACT college entrance examination fee:

62.6 \$ 3,011,000 2016

62.7 \$ 3,011,000 2017

62.8 The Department of Education must reimburse districts for their onetime payments
 62.9 on behalf of students.

62.10 **EFFECTIVE DATE.** This section applies to college entrance exams administered
 62.11 after July 1, 2016.

62.12 Sec. 60. **CONCURRENT ENROLLMENT TEACHER TRAINING GRANTS.**

62.13 For fiscal years 2017, 2018, and 2019 only, a high school teacher required to obtain
 62.14 additional training to meet the partnering college's or university's academic requirements
 62.15 to teach a concurrent enrollment course in a high school under Minnesota Statutes, section
 62.16 124D.09, may be reimbursed for tuition for up to 18 graduate credits in furthering this
 62.17 training. The commissioner shall establish application procedures and deadlines for
 62.18 receiving grant payments under this subdivision.

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

62.20 Sec. 61. **MINNESOTA'S FUTURE TEACHERS; GRANT PROGRAM.**

62.21 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
 62.22 have the meanings given them.

62.23 (b) "Eligible institution" means a Minnesota public or nonpublic postsecondary
 62.24 institution under Minnesota Statutes, section 136A.101, subdivision 4, providing a Board
 62.25 of Teaching-approved teacher preparation program.

62.26 (c) "High needs area" means a shortage of teachers teaching in particular subject
 62.27 areas and, or in particular regions of the state, identified in the commissioner of education's
 62.28 biennial survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or
 62.29 in another Department of Education survey on teacher shortages.

62.30 (d) "High needs school" means a school:

62.31 (1) designated as a low performing school under the most recently reauthorized
 62.32 federal Elementary and Secondary Education Act; or

63.1 (2) above the state average in the concentration of students qualifying for free and
63.2 reduced-price lunch.

63.3 (e) "Qualified candidate" means a student enrolled in a Board of Teaching-approved
63.4 teacher preparation program at an eligible institution meeting the criteria in subdivision 3.

63.5 Subd. 2. **Account.** An account is established under the control of the commissioner
63.6 of the Office of Higher Education for grants to eligible institutions to provide financial
63.7 and other support to qualified candidates interested in teaching in a high needs area or
63.8 school. Unused funds appropriated to the Department of Education and transferred to the
63.9 Office of Higher Education in any fiscal year do not cancel and are available for the
63.10 purposes of this section.

63.11 Subd. 3. **Program requirements.** (a) The commissioner of the Office of Higher
63.12 Education, beginning in the 2017-2018 school year, shall award grants to eligible
63.13 institutions to help defray costs for qualified undergraduate and graduate candidates to
63.14 become licensed teachers. The commissioner shall determine the maximum grant award
63.15 available to each eligible institution, including the amount available for administrative and
63.16 support services, and other terms and conditions related to administering the grant program.

63.17 (b) The eligible institution must provide grant funding to its teacher preparation
63.18 programs for:

63.19 (1) reducing tuition, fees, and related education costs of qualified candidates;

63.20 (2) actively encouraging historically underserved students, students of color, and
63.21 students to pursue teaching in a high needs area or school;

63.22 (3) supporting qualified candidates to persist in and complete their teacher
63.23 preparation program and receive a full professional teaching license; and

63.24 (4) providing qualified candidates with experiential teaching opportunities.

63.25 (c) A qualified candidate under this section must submit to the teacher preparation
63.26 program a written statement indicating the qualified candidate's intent to teach in a high
63.27 needs school or area after completing the teacher preparation program and receiving
63.28 a teaching license.

63.29 (d) The teaching preparation program must provide mentoring to its qualified
63.30 candidates that includes at least:

63.31 (1) good communication with the qualified candidate throughout the program;

63.32 (2) a personalized learning plan for the qualified candidate that describes the
63.33 requirements for completing the program and obtaining a teaching position and the
63.34 resources available for overcoming obstacles to completing the program;

63.35 (3) connections to campus resources and professional and personal development
63.36 opportunities; and

64.1 (4) financial planning.

64.2 **Sec. 62. GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS.**

64.3 Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education
64.4 must establish a grant program for student teaching stipends for low-income students
64.5 enrolled in a Board of Teaching-approved teacher preparation program who are interested
64.6 in teaching in a high needs subject area or region after graduating and receiving their
64.7 teaching license. For purposes of this section, "high needs subject area or region" means a
64.8 shortage of teachers teaching in particular subject areas or a shortage of teachers teaching
64.9 in particular regions of the state identified in the commissioner of education's biennial
64.10 survey of districts under Minnesota Statutes, section 127A.05, subdivision 6, or in another
64.11 Department of Education survey on teacher shortages.

64.12 Subd. 2. **Eligibility** To be eligible for a grant under this section, a teacher candidate
64.13 must:

64.14 (1) be enrolled in a Board of Teaching-approved teacher preparation program that
64.15 requires at least 12 weeks of student teaching and results in the teacher candidate receiving
64.16 a full professional teaching license enabling the licensee to teach in a high needs subject
64.17 area or region; and

64.18 (2) demonstrate financial need based on criteria established by the commissioner
64.19 under subdivision 3.

64.20 Subd. 3. **Administration; repayment.** (a) The commissioner must establish an
64.21 application process and other guidelines for implementing this program.

64.22 (b) The commissioner must determine each academic year the stipend amount based
64.23 on the amount of available funding and the number of eligible applicants.

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

64.25 **Sec. 63. LEGISLATIVE STUDY GROUP ON EDUCATOR LICENSURE.**

64.26 (a) A 12-member legislative study group on educator licensure is created to review
64.27 the 2016 Minnesota Teacher Licensure report prepared by the Office of the Legislative
64.28 Auditor on teacher licensing and submit a written report by February 1, 2017, to the
64.29 legislature recommending how to restructure Minnesota's teacher licensure system by
64.30 consolidating all teacher licensure activities into a single state entity to ensure transparency
64.31 and consistency or, at a minimum, by clarifying existing teacher licensure responsibilities
64.32 to provide transparency and consistency. In developing its recommendations, the study
64.33 group is encouraged to consider the tiered licensure system recommended in the legislative
64.34 auditor's report, among other recommendations. The study group is encouraged to begin

65.1 its work by consulting with teachers currently teaching in Minnesota school districts,
65.2 charter schools, and nonpublic schools and with out-of-state teachers currently licensed or
65.3 seeking a license in Minnesota. The study group is encouraged to identify and include in
65.4 its report any statutory changes needed to implement the study group recommendations.

65.5 (b) The legislative study group on educator licensure includes:

65.6 (1) six duly elected and currently serving members of the house of representatives,
65.7 three appointed by the speaker of the house and three appointed by the house minority
65.8 leader, and one of whom must be the current chair of the house of representatives
65.9 Education Innovation Policy Committee; and

65.10 (2) six duly elected and currently serving senators, three appointed by the senate
65.11 majority leader and three appointed by the senate minority leader, one of whom must be
65.12 the current chair of the senate Education Committee.

65.13 Only duly elected and currently serving members of the house of representatives or senate
65.14 may be study group members.

65.15 (c) The appointments must be made by June 1, 2016, and expire February 2, 2017.

65.16 If a vacancy occurs, the leader of the caucus in the house of representatives or senate to
65.17 which the vacating study group member belonged must fill the vacancy. The chair of the
65.18 house Education Innovation Policy Committee shall convene the first meeting of the study
65.19 group. The study group shall elect a chair or cochairs from among the members at the
65.20 first meeting. The study group must meet periodically. The Legislative Coordinating
65.21 Commission shall provide technical and administrative assistance upon request.

65.22 (d) In reviewing the legislative auditor's report and developing its recommendations,
65.23 the study group must consult with the Board of Teaching, the licensing division of the
65.24 Department of Education, the Minnesota Board of School Administrators, and interested
65.25 and affected stakeholders.

65.26 (e) The study group expires on February 2, 2017, unless extended by law.

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

65.28 **Sec. 64. BOARD OF TEACHING REPORT.**

65.29 The Board of Teaching must prepare and submit a written report to the committees
65.30 of the legislature with jurisdiction over kindergarten through grade 12 education by
65.31 February 1, 2017, listing all the statutory and rule requirements on teacher preparation,
65.32 examinations, and training applicable to candidates for teacher licensure by type of license
65.33 and all the statutory and rule requirements on continuing education applicable to teachers
65.34 seeking to renew a full professional teaching license.

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

66.2 Sec. 65. **TEACHER LICENSING; PROCESS AND PROCEDURES.**

66.3 (a) The Board of Teaching must maintain an easily accessible, user-friendly online
66.4 teacher licensure application system to enable all teacher licensure candidates to upload
66.5 their teacher licensure applications electronically and to select the field and grade level for
66.6 which they seek to be licensed. The online application system must list all types of teacher
66.7 licenses and special permissions available, outline the specific requirements for each type
66.8 of license and special permission, allow candidates to submit applications for all types
66.9 of licenses and special permissions, and be clear and complete. The online application
66.10 form must accommodate Minnesota and out-of-state candidates who completed a teacher
66.11 preparation and training program at either an accredited college or university or a
66.12 nontraditional teacher preparation and training program.

66.13 (b) When completely or partially denying a candidate a teaching license by issuing
66.14 a license that is more limited than the license the candidate seeks, including a restricted
66.15 license, the Board of Teaching, after consulting with the Department of Education if
66.16 appropriate, must notify the candidate in writing clearly explaining: the reason for denying
66.17 or partially denying the candidate a teaching license, including the specific deficiencies
66.18 identified in the candidate's preparation or qualifications; the options available to the
66.19 candidate to pursue the license the candidate seeks; and the candidate's right to appeal a
66.20 denial. Under the two-step appeal process, a candidate may appeal a licensure decision
66.21 to the Board of Teaching for review and, if the board does not find for the candidate,
66.22 the candidate may submit a second appeal, requesting a contested case hearing under
66.23 Minnesota Statutes, chapter 14.

66.24 (c) The Board of Teaching must grant a one-year full professional teaching license
66.25 to otherwise qualified teacher licensure candidates who have satisfactorily completed
66.26 a board-approved teacher preparation program in Minnesota, an accredited teacher
66.27 preparation program in another state, or all the licensure-specific coursework and other
66.28 requirements of a Board of Teaching-approved alternative teacher preparation and training
66.29 program but have not yet successfully completed the content, pedagogy, and skills exams
66.30 required for licensure. The board may renew a candidate's one-year full professional
66.31 teaching license under this paragraph up to three times.

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

66.33 Sec. 66. **DATA SECURITY PLAN.**

67.1 Subdivision 1. **Plan components.** To protect education and related workforce
67.2 data on individual students maintained by public schools, school districts, and state
67.3 agencies, and consistent with Minnesota Statutes, chapter 13, and sections 116J.401,
67.4 120B.11, 120B.12, 120B.30, 120B.31, 120B.35, 120B.36, 124D.49, 124D.52, 124D.861,
67.5 125A.085, and 127A.70, subdivision 2, among other student data-related provisions, the
67.6 commissioner of education must develop, publish, and oversee a detailed data security
67.7 plan combining administrative, physical, and technical safeguards that includes:

67.8 (1) requirements for:

67.9 (i) authorizing access to the kindergarten through grade 12 data systems containing
67.10 personally identifiable information on students;

67.11 (ii) authorizing data and system access for other agencies participating in the
67.12 Statewide Longitudinal Education Data System and the Early Childhood Longitudinal
67.13 Data System;

67.14 (iii) authenticating authorized access to and the processing of personally identifiable
67.15 information on students;

67.16 (iv) protecting data that describes a student or otherwise identifies a student gathered
67.17 by an operator of a Web site, online service, online application, or mobile application
67.18 that operates a site, service, or application for kindergarten through grade 12 school
67.19 purposes; and

67.20 (v) sanctions for employees, contractors, grantees, researchers, and vendors who
67.21 fail to comply with the guidelines;

67.22 (2) minimum privacy compliance standards based on reasonable and enforceable
67.23 security measures and practices, including background checks, training opportunities
67.24 and resources, physical and technical safeguards, and privacy and security agreements
67.25 for employees, contractors, grantees, researchers, and vendors with access to personally
67.26 identifiable information on students, among other privacy and security measures and
67.27 practices;

67.28 (3) regular privacy and security compliance audits of the Statewide Longitudinal
67.29 Education Data System and other data systems; and

67.30 (4) data retention, storage, disposal, and security policies and protocols that include:

67.31 (i) safeguards for protecting, managing, accessing, and destroying students'
67.32 personally identifiable data; and

67.33 (ii) plans, notices, and mitigation procedures for responding to data breaches, among
67.34 other policies and protocols.

67.35 Subd. 2. **Plan report.** The commissioner of education must submit a report by
67.36 January 10, 2017, to the committees of the legislature with jurisdiction over education

68.1 and data practices on the Department of Education's progress in developing the data
68.2 security plan and must include in the report estimates of the costs for further developing
68.3 and implementing the plan, including audit, background check, and training costs, among
68.4 other costs.

68.5 Subd. 3. **Plan costs.** The commissioner of education must proceed in developing the
68.6 data security plan under subdivision 1 using existing Department of Education resources.

68.7 Subd. 4. **Plan implementation.** The commissioner of education may not proceed to
68.8 implement the data security plan under this section until July 1, 2017.

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

68.10 Sec. 67. **STAFF DEVELOPMENT GRANTS FOR INTERMEDIATE SCHOOL**
68.11 **DISTRICTS AND OTHER COOPERATIVE UNITS.**

68.12 (a) For fiscal years 2017, 2018, and 2019 only, an intermediate school district or
68.13 other cooperative unit providing instruction to students in federal instructional settings
68.14 of level 4 or higher qualifies for staff development grants equal to \$1,000 times the
68.15 full-time equivalent number of licensed instructional staff and nonlicensed classroom
68.16 aides employed by the intermediate school district or other cooperative unit during the
68.17 previous fiscal year.

68.18 (b) Staff development grants received under this section must be used for activities
68.19 related to enhancing services to students who may have challenging behaviors or mental
68.20 health issues or be suffering from trauma. Specific qualifying staff development activities
68.21 include but are not limited to:

68.22 (1) proactive behavior management;

68.23 (2) personal safety training;

68.24 (3) de-escalation techniques; and

68.25 (4) adaptation of published curriculum and pedagogy for students with complex
68.26 learning and behavioral needs.

68.27 (c) The grants received under this section must be reserved and spent only on the
68.28 activities specified in this section. If funding for purposes of this section is insufficient,
68.29 the commissioner must prorate the grants.

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

68.32 Sec. 68. **STUDENT DISCIPLINE WORKING GROUP.**

69.1 (a) A student discipline working group is created to review the substance,
69.2 application, and effect of Minnesota's Pupil Fair Dismissal Act under Minnesota Statutes,
69.3 sections 121A.40 to 121A.56, and related student discipline provisions in Minnesota
69.4 Statutes, chapter 121A, and submit written recommendations to the legislature by
69.5 February 1, 2017, on improving disciplinary policies, practices, and procedures as they
69.6 affect students and school officials and the effects on student outcomes.

69.7 (b) Consistent with paragraph (a), the working group must analyze:

69.8 (1) available summary data on elementary and secondary students' removal from
69.9 class, suspensions, exclusions, expulsions, and other disciplinary measures, disaggregated
69.10 by categories of race, ethnicity, poverty, disability, homelessness, English language
69.11 proficiency, gender, age, and foster care status;

69.12 (2) the meaning and effect of "willful" in establishing grounds for dismissal under
69.13 Minnesota Statutes, section 121A.45;

69.14 (3) the impact of positive behavioral interventions and supports and restorative
69.15 practices on student behavior, student outcomes, and the school climate, including student
69.16 engagement and connection, among other school climate measures;

69.17 (4) due process rights of students facing dismissal, including changes needed to
69.18 ensure students' due process rights are fully observed and protected;

69.19 (5) students' need for and access to professional support service providers such
69.20 as school counselors, school social workers, school psychologists, and mental health
69.21 professionals;

69.22 (6) the presence of school resource officers in school buildings, their role in affecting
69.23 student discipline, and their impact on teacher safety and student outcomes;

69.24 (7) policies for retaining and destroying student disciplinary data; and

69.25 (8) other related school discipline matters that are of concern to working group
69.26 members.

69.27 (c) By June 1, 2016, the executive director of each of the following organizations
69.28 shall appoint one representative to serve as a member of the working group: the Minnesota
69.29 School Boards Association; the Minnesota Association of School Administrators;
69.30 Education Minnesota; the Minnesota Board of Peace Officer Standards and Training; the
69.31 Minnesota Disability Law Center; the National Alliance of Mental Illness Minnesota;
69.32 the Parent Advocacy Coalition for Educational Rights (PACER) Center; the Minnesota
69.33 Association of Secondary School Principals; the Minnesota Elementary School Principals'
69.34 Association; the Association of Metropolitan School Districts; the Minnesota Rural
69.35 Education Association; the Minnesota School Counselors Association; the Minnesota
69.36 School Psychologists Association; the School Nurse Organization of Minnesota; the St.

70.1 Paul Special Education Advisory Council; the Solutions Not Suspensions Coalition; the
70.2 Minnesota Education Equity Partnership; MinnCAN; Students for Education Reform; the
70.3 Minnesota Youth Council; Educators 4 Excellence; the African American Leadership
70.4 Forum; the American Indian Opportunities Industrialization Center; the Minnesota
70.5 Association of Charter Schools; the Minnesota Indian Affairs Council; and the Minnesota
70.6 School Social Workers Association. Six legislators shall also be appointed by June
70.7 1, 2016, and serve as members of the working group: three duly elected and currently
70.8 serving senators, two appointed by the senate majority leader and one appointed by the
70.9 senate minority leader; and three duly elected and currently serving members of the
70.10 house of representatives, two appointed by the speaker of the house and one appointed
70.11 by the house of representatives minority leader. Only duly elected and currently serving
70.12 members of the senate or house of representatives may be working group members. If a
70.13 vacancy occurs, the leader of the caucus in the senate or house of representatives to which
70.14 the vacating member belonged must fill the vacancy. Working group members must seek
70.15 advice from experts and stakeholders in developing their recommendations.

70.16 (d) The commissioner of education, or the commissioner's designee, must convene
70.17 the first meeting of the working group. The working group must select a chair or cochair
70.18 from among its members at the first meeting. The working group must meet periodically.
70.19 The commissioner must provide technical and administrative assistance to the working
70.20 group upon request. Working group members are not eligible to receive expenses or per
70.21 diem payments for serving on the working group.

70.22 (e) The working group expires February 2, 2017.

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

70.24 Sec. 69. **NORTHWEST REGIONAL PARTNERSHIP CONCURRENT**
70.25 **ENROLLMENT PROGRAM.**

70.26 Subdivision 1. **Definition.** "Northwest Regional Partnership" means a voluntary
70.27 association of the Lakes Country Service Cooperative, the Northwest Service Cooperative,
70.28 and Minnesota State University-Moorhead that works together to provide coordinated
70.29 higher learning opportunities for teachers.

70.30 Subd. 2. **Establishment.** Lakes Country Service Cooperative, in consultation with
70.31 the Northwest Service Cooperative, may develop a continuing education program to allow
70.32 eligible teachers to attain the requisite graduate credits necessary to be qualified to teach
70.33 secondary school courses for postsecondary credit.

71.1 Subd. 3. **Curriculum development.** Minnesota State University-Moorhead may
71.2 develop an online education curriculum to allow eligible secondary school teachers to
71.3 attain graduate credit at a reduced credit rate.

71.4 Subd. 4. **Funding for course development; scholarships; stipends.** Lakes
71.5 Country Service Cooperative, in consultation with the other members of the Northwest
71.6 Regional Partnership, shall:

71.7 (1) provide funding for course development for up to 18 credits in applicable
71.8 postsecondary subject areas;

71.9 (2) provide scholarships for eligible teachers to enroll in the continuing education
71.10 program; and

71.11 (3) develop criteria for awarding educator stipends on a per-credit basis to
71.12 incentivize participation in the continuing education program.

71.13 Subd. 5. **Participant eligibility.** Participation in the continuing education program
71.14 is reserved for teachers of secondary school courses for postsecondary credit. Priority
71.15 must be given to teachers employed by a school district that is a member of the Lakes
71.16 Country Service Cooperative or Northwest Service Cooperative. Teachers employed
71.17 by a school district that is not a member of the Lakes Country Service Cooperative or
71.18 Northwest Service Cooperative may participate in the continuing education program as
71.19 space allows. A teacher participating in this program is ineligible to participate in other
71.20 concurrent enrollment teacher training grant programs.

71.21 Subd. 6. **Private funding.** The partnership may receive private resources to
71.22 supplement the available public money. All money received shall be administered by
71.23 the Lakes Country Service Cooperative.

71.24 Subd. 7. **Report required.** Northwest Regional Partnership must submit an annual
71.25 report by January 15 of each year on the progress of its activities to the legislature,
71.26 commissioner of education, and Board of Trustees of the Minnesota State Colleges and
71.27 Universities. The annual report shall contain a financial report for the preceding year. The
71.28 first report is due no later than January 15, 2018.

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

71.30 Sec. 70. **GROW YOUR OWN TEACHER RESIDENCY PILOT PROGRAM.**

71.31 (a) For fiscal years 2017, 2018, and 2019 only, a nonconventional teacher residency
71.32 pilot program under Minnesota Statutes, section 122A.09, subdivision 10, paragraph (a),
71.33 is established to provide tuition scholarships or stipends to enable education or teaching
71.34 assistants or other nonlicensed district employees who hold a bachelor's degree from an
71.35 accredited college or university and who seek an elementary education license or a license

72.1 in a subject area for which a shortage exists under Minnesota Statutes, section 127A.05,
72.2 subdivision 6, to participate in a Board of Teaching-approved nonconventional teacher
72.3 residency program under this section.

72.4 (b) School districts or charter schools not participating under paragraph (a) may
72.5 use funds under this section to pay for tuition scholarships or stipends on behalf of
72.6 paraprofessionals employed in the school or district who are enrolled in a Board of
72.7 Teaching-approved teacher preparation program and who are making satisfactory progress
72.8 toward attaining teacher licensure.

72.9 (c) The commissioner of education and the commissioner of the Office of Higher
72.10 Education must evaluate the outcomes and efficacy of the program and, by February 1,
72.11 2017, submit written program recommendations to the committees of the legislature with
72.12 jurisdiction over kindergarten through grade 12 education and higher education, including
72.13 how to continue and expand the program throughout Minnesota.

72.14 Sec. 71. **PILOT PROJECT TO HELP STRUGGLING STUDENTS READ AT**
72.15 **GRADE LEVEL.**

72.16 (a) A pilot project for fiscal year 2017 is established to help struggling,
72.17 underperforming students in grades 3 through 5 read at grade level and close the academic
72.18 achievement gap. Under this pilot project, the commissioner of education shall make a
72.19 grant to a qualified and experienced nonprofit organization to provide three Minnesota
72.20 public schools with: a research-based intervention software program demonstrated to
72.21 effectively use singing to improve students' reading ability; technical training and staff to
72.22 install project software; on-site professional development and instructional monitoring
72.23 and support for school staff and students; preproject and postproject online reading
72.24 assessments developed by the University of Minnesota; and other project management
72.25 services. A participating school must identify a trained supervisor and other school staff
72.26 to work with students using the software in the computer lab and coordinate and review
72.27 students' weekly lab use.

72.28 (b) The commissioner, in consultation with the nonprofit organization receiving the
72.29 grant, must select three public elementary schools, located in an urban, suburban, and
72.30 greater Minnesota school district, respectively, to participate in the project based on:

72.31 (1) the number and percent of enrolled students in grades 3 through 5 whose
72.32 proficiency on the Minnesota Comprehensive Assessment in reading is below grade level
72.33 and who are eligible for free or reduced-price lunch;

72.34 (2) the interest of the school principal, teachers, and other school staff in
72.35 participating in the project; and

73.1 (3) the availability of a computer lab for the project and its software.

73.2 (c) The nonprofit organization receiving the grant must submit a
73.3 commissioner-reviewed report to the committees of the legislature with jurisdiction over
73.4 kindergarten through grade 12 education by February 1, 2017, using summary data to
73.5 compare and evaluate the reading gains of the third to fifth grade students in the three
73.6 schools that participated in the project and third to fifth grade students in schools that did
73.7 not participate in the project and recommend whether to continue or expand the project.

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

73.9 Sec. 72. **LEGISLATIVE AUDITOR.**

73.10 The legislative auditor is requested to perform a financial audit of the Perpich Center
73.11 for Arts Education in calendar year 2016, and at least every four calendar years thereafter.

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

73.13 Sec. 73. **STATEWIDE SCHOOL TEACHER AND ADMINISTRATOR JOB**
73.14 **BOARD.**

73.15 For fiscal years 2017, 2018, and 2019 only, the Board of Teaching must contract for
73.16 an electronic statewide school teacher and administrator job board. The job board must
73.17 allow school districts to post job openings for prekindergarten through grade 12 teaching
73.18 and administrative positions.

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

73.20 Sec. 74. **CERTIFICATION INCENTIVE REVENUE.**

73.21 Subdivision 1. **Qualifying certificates.** As soon as practicable, the commissioner
73.22 of education, in consultation with the Governor's Workforce Development Council
73.23 established under Minnesota Statutes, section 116L.665, and the P-20 education
73.24 partnership operating under Minnesota Statutes, section 127A.70, must establish the list of
73.25 qualifying career and technical certificates and post the names of those certificates on the
73.26 Department of Education's Web site. The certificates must be in fields where occupational
73.27 opportunities exist.

73.28 Subd. 2. **School district participation.** (a) A school board may adopt a policy
73.29 authorizing its students in grades 9 through 12, including its students enrolled in
73.30 postsecondary enrollment options courses under Minnesota Statutes, section 124D.09, the

74.1 opportunity to complete a qualifying certificate. The certificate may be completed as part
 74.2 of a regularly scheduled course.

74.3 (b) A school district may register a student for any assessment necessary to complete
 74.4 a qualifying certificate and pay any associated registration fees for its students.

74.5 Subd. 3. **Incentive funding.** (a) A school district's career and technical certification
 74.6 aid equals \$500 times the district's number of students enrolled during the current fiscal
 74.7 year who have obtained one or more qualifying certificates during the current fiscal year.

74.8 (b) The statewide total certificate revenue must not exceed \$1,000,000. The
 74.9 commissioner must proportionately reduce the initial aid provided under this subdivision
 74.10 so that the statewide aid cap is not exceeded.

74.11 Subd. 4. **Reports to the legislature.** (a) The commissioner of education must
 74.12 report to the committees of the legislature with jurisdiction over kindergarten through
 74.13 grade 12 education and higher education by February 1, 2017, on the number and types
 74.14 of certificates authorized for the 2016-2017 school year. The commissioner must also
 74.15 recommend whether the pilot program should be continued.

74.16 (b) By February 1, 2018, the commissioner of education must report to the
 74.17 committees of the legislature with jurisdiction over kindergarten through grade 12
 74.18 education and higher education about the number and types of certificates earned by
 74.19 Minnesota's students during the 2016-2017 school year.

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

74.21 Sec. 75. **APPROPRIATIONS.**

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

74.25 Subd. 2. **Staff development grants for cooperative units.** For payment of staff
 74.26 development grants to intermediate school districts and other cooperative units providing
 74.27 instruction to students in federal instructional settings of level 4 or higher:

74.28 § 6,000,000 2017

74.29 This is a onetime appropriation. This appropriation is available until June 30,
 74.30 2019. To the extent practicable, this appropriation should fund staff development grants
 74.31 for intermediate school districts and other cooperative units for fiscal years 2017, 2018,
 74.32 and 2019.

75.1 Subd. 3. **Northwest Regional Partnership concurrent enrollment program.** For a
 75.2 grant to the Lakes Country Service Cooperative to operate a continuing education program:

75.3 \$ 3,000,000 2017

75.4 This is a onetime appropriation. This appropriation is available until June 30, 2019.

75.5 Subd. 4. **Grow Your Own tuition scholarships and stipends.** For a school district
 75.6 to provide tuition scholarships and stipends to eligible employees under the Grow Your
 75.7 Own teacher residency pilot program:

75.8 \$ 1,500,000 2017

75.9 This is a onetime appropriation. This appropriation is available until June 30, 2019.

75.10 Subd. 5. **Sanneh Foundation.** For a grant to the Sanneh Foundation:

75.11 \$ 1,500,000 2017

75.12 Funds appropriated in this section are to provide all-day, in-school, and after-school
 75.13 academic and behavioral interventions for low-performing and chronically absent students
 75.14 with a focus on low-income students and students of color throughout the school year and
 75.15 during the summer to decrease absenteeism, encourage school engagement, and improve
 75.16 grades and graduation rates. Funds appropriated in this section may be used to hire and
 75.17 train staff in areas of youth mentorship, behavior support, and academic tutoring in group
 75.18 and individual settings and to promote pathways for teachers of color.

75.19 This is a onetime appropriation. This appropriation is available until June 30, 2019.

75.20 Subd. 6. **Western Minnesota mobile manufacturing lab.** For a transfer to the
 75.21 Pine to Prairie Cooperative Center:

75.22 \$ 900,000 2017

75.23 The funds in this subdivision must be used to establish a western Minnesota mobile
 75.24 labs program, including manufacturing and welding labs to create interest in these careers
 75.25 for secondary students. The program must be operated by Pine to Prairie Cooperative
 75.26 Center in collaboration with Northland Community and Technical College, Lakes Country
 75.27 Service Cooperative, and Minnesota State Community and Technical College.

75.28 This is a onetime appropriation. This appropriation is available until June 30, 2019.

75.29 Subd. 7. **Music pilot project appropriation.** For a grant to a qualified nonprofit
 75.30 organization to provide three Minnesota public elementary schools with a research-based
 75.31 intervention software program that effectively uses singing to improve students' reading
 75.32 ability:

75.33 \$ 100,000 2017

76.1 This is a onetime appropriation.

76.2 Subd. 8. **School crisis response teams.** For school crisis response teams under
 76.3 Minnesota Statutes, section 119A.035:

76.4 § 100,000 2017

76.5 This is a onetime appropriation. This appropriation is available until June 30, 2019.

76.6 Subd. 9. **Positive Behavioral Interventions and Supports (PBIS).** For
 76.7 implementation of schoolwide Positive Behavioral Interventions and Supports (PBIS) in
 76.8 schools and districts throughout Minnesota to reduce the use of restrictive procedures and
 76.9 increase use of positive practices:

76.10 § 2,750,000 2017

76.11 This is a onetime appropriation.

76.12 Subd. 10. **Girls in Action grant.** For a grant to the Girls in Action program to
 76.13 enable Girls in Action to continue to provide and to expand Twin Cities metropolitan area
 76.14 school and community-based programs that encourage and support low-income girls,
 76.15 including low-income girls of color, to graduate from high school on time, complete a
 76.16 postsecondary preparation program, become community leaders, and participate in service
 76.17 learning opportunities in their communities. Girls in Action must expend \$500,000 of this
 76.18 appropriation for community-based programs located in the Twin Cities metropolitan area:

76.19 § 1,500,000 2017

76.20 This is a onetime appropriation. This appropriation is available until June 30, 2019.

76.21 Subd. 11. **Concurrent enrollment teacher training grants.** For concurrent
 76.22 enrollment teacher training grants under Minnesota Statutes, section 124D.091,
 76.23 subdivision 4:

76.24 § 750,000 2017

76.25 This is a onetime appropriation. This appropriation is available until June 30, 2019.

76.26 Subd. 12. **Minnesota Council on Economic Education.** For a grant to the
 76.27 Minnesota Council on Economic Education to provide staff development to teachers
 76.28 for implementing the state graduation standards in learning areas relating to economic
 76.29 education:

76.30 § 250,000 2017

77.1 The commissioner, in consultation with the council, shall develop expectations for
 77.2 staff development outcomes, eligibility criteria for participants, an evaluation procedure,
 77.3 and guidelines for direct and in-kind contributions by the council.

77.4 This is a onetime appropriation. This appropriation is available until June 30, 2019.

77.5 Subd. 13. **Certificate incentive funding.** For the certificate incentive program:

77.6 \$ 1,000,000 2017

77.7 This is a onetime appropriation. This appropriation is available until June 30, 2019.

77.8 Subd. 14. **Southwest Minnesota State University special education teacher**
 77.9 **education program.** The following sums are appropriated in the fiscal years designated
 77.10 from the general fund to the commissioner of education for the Southwest Minnesota State
 77.11 University special education teacher education program to support special education
 77.12 paraprofessionals working toward licensure in an online program:

77.13 \$ 385,000 2017

77.14 The base for this program in fiscal year 2018 is \$0.

77.15 Sec. 76. **APPROPRIATION; JOB BOARD.**

77.16 \$239,000 in fiscal year 2017 is appropriated from the general fund to the Board of
 77.17 Teaching for an electronic statewide job board. The board may expend \$79,000 of this
 77.18 appropriation in fiscal year 2017, and the remaining unexpended funds are available
 77.19 until June 30, 2019.

77.20 Sec. 77. **APPROPRIATION; FUTURE TEACHERS GRANT PROGRAM.**

77.21 \$4,500,000 in fiscal year 2017 is appropriated from the general fund to the
 77.22 commissioner of the Office of Higher Education for the Minnesota future teachers grant
 77.23 program. This is a onetime appropriation. This appropriation is available until June 30,
 77.24 2019.

77.25 Sec. 78. **APPROPRIATION; STUDENT TEACHERS IN SHORTAGE AREAS;**
 77.26 **GRANTS.**

77.27 \$1,000,000 in fiscal year 2017 is appropriated from the general fund to the
 77.28 commissioner of the Office of Higher Education for grants to student teachers in shortage
 77.29 areas. This is a onetime appropriation. This appropriation is available until June 30, 2019.

77.30 Sec. 79. **APPROPRIATION; SCHOOL-LINKED MENTAL HEALTH**
 77.31 **SERVICES.**

78.1 \$5,000,000 in fiscal year 2017 is appropriated from the general fund to the
 78.2 commissioner of human services for children's mental health grants under Minnesota
 78.3 Statutes, section 245.4889, subdivision 1, paragraph (b), clause (8), for current grantees to
 78.4 expand access to school-linked mental health services and to provide training to grantees
 78.5 on the use of evidence-based practices. This appropriation is available until June 30, 2019.
 78.6 To the extent practicable, the commissioner of human services is encouraged to expend
 78.7 the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

78.8 **Sec. 80. REVISOR'S INSTRUCTION.**

78.9 In the next and subsequent editions of Minnesota Statutes, the revisor of statutes
 78.10 shall renumber the section on innovative delivery of career and technical education
 78.11 programs as Minnesota Statutes, section 124D.339.

78.12 **Sec. 81. REPEALER.**

78.13 (a) Minnesota Statutes 2014, sections 120B.299, subdivision 5; 122A.413,
 78.14 subdivision 3; and 122A.74, are repealed.

78.15 (b) Minnesota Statutes 2015 Supplement, section 122A.413, subdivisions 1 and
 78.16 2, are repealed.

78.17 (c) Minnesota Statutes 2014, sections 122A.40, subdivision 11; and 122A.41,
 78.18 subdivision 14, are repealed effective July 1, 2017.

78.19 (d) Minnesota Rules, part 3535.0110, subparts 6, 7, and 8, are repealed.

78.20 **EFFECTIVE DATE.** Paragraph (d) is effective the day following final enactment.

78.21 **ARTICLE 3**

78.22 **CHARTER SCHOOLS**

78.23 Section 1. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 4, is
 78.24 amended to read:

78.25 Subd. 4. **Application content.** (a) An applicant must include in its application to
 78.26 the commissioner to be an approved authorizer at least the following:

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

78.28 ~~(2) a description of the capacity of the organization to serve as an authorizer,~~
 78.29 ~~including the personnel who will perform the authorizing duties, their qualifications, the~~
 78.30 ~~amount of time they will be assigned to this responsibility, and the financial resources~~
 78.31 ~~allocated by the organization to this responsibility;~~

79.1 (2) a description of the capacity of the organization to serve as an authorizer,
79.2 including the positions allocated to authorizing duties, the qualifications for those
79.3 positions, the full-time equivalencies of those positions, and the financial resources
79.4 available to fund the positions. The commissioner may use information about specific
79.5 individuals expected to perform the authorizing duties in deciding whether to approve
79.6 or disapprove an organization's application to be approved as an authorizer. The
79.7 commissioner may not use information about specific individuals performing the
79.8 authorizing duties in reviewing an approved authorizer's performance;

79.9 (3) a description of the application and review process the authorizer will use to
79.10 make decisions regarding the granting of charters;

79.11 (4) a description of the type of contract it will arrange with the schools it charters
79.12 that meets the provisions of section 124E.10;

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

79.16 (6) a description of the criteria and process the authorizer will use to grant expanded
79.17 applications under section 124E.06, subdivision 5;

79.18 (7) the process for making decisions regarding the renewal or termination of
79.19 the school's charter based on evidence that demonstrates the academic, organizational,
79.20 and financial competency of the school, including its success in increasing student
79.21 achievement and meeting the goals of the charter school agreement; and

79.22 (8) an assurance specifying that the organization is committed to serving as an
79.23 authorizer for the full five-year term.

79.24 (b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy
79.25 the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a
79.26 conflict of interest between an authorizer and its charter schools or ongoing evaluation and
79.27 continuing education of an administrator or other professional support staff by submitting
79.28 to the commissioner a written promise to comply with the requirements.

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

79.30 Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 5, is
79.31 amended to read:

79.32 Subd. 5. **Review by commissioner.** (a) The commissioner shall review an
79.33 authorizer's performance every five years in a manner and form determined by the
79.34 commissioner, subject to paragraphs (b) and (c), and may review an authorizer's
79.35 performance more frequently at the commissioner's own initiative or at the request of a

80.1 charter school operator, charter school board member, or other interested party. The
80.2 commissioner, after completing the review, shall transmit a report with findings to the
80.3 authorizer.

80.4 (b) Consistent with this subdivision, the commissioner must:

80.5 (1) use criteria appropriate to the authorizer and the schools it charters to review
80.6 the authorizer's performance; and

80.7 (2) consult with authorizers, charter school operators, and other charter school
80.8 stakeholders in developing review criteria under this paragraph.

80.9 (c) The commissioner's form must use existing department data on the authorizer to
80.10 minimize duplicate reporting to the extent practicable. When reviewing an authorizer's
80.11 performance under this subdivision, the commissioner must not:

80.12 (1) fail to credit;

80.13 (2) withhold points; or

80.14 (3) otherwise penalize an authorizer for failing to charter additional schools or for
80.15 the absence of complaints against the authorizer's current portfolio of charter schools.

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

80.17 Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.05, subdivision 7, is
80.18 amended to read:

80.19 Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to
80.20 withdraw as an approved authorizer for a reason unrelated to any cause under section
80.21 124E.10, subdivision 4, the authorizer must notify all its chartered schools and the
80.22 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30
80.23 in the next calendar year, regardless of when the authorizer's five-year term of approval
80.24 ends. The commissioner may approve the transfer of a charter school to a new authorizer
80.25 ~~under this subdivision after the new authorizer submits an affidavit to the commissioner~~
80.26 section 124E.10, subdivision 5.

80.27 Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.10, subdivision 1, is
80.28 amended to read:

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

- 81.1 (1) a declaration that the charter school will carry out the primary purpose in section
81.2 124E.01, subdivision 1, and how the school will report its implementation of the primary
81.3 purpose;
- 81.4 (2) a declaration of the additional purpose or purposes in section 124E.01,
81.5 subdivision 1, that the school intends to carry out and how the school will report its
81.6 implementation of those purposes;
- 81.7 (3) a description of the school program and the specific academic and nonacademic
81.8 outcomes that pupils must achieve;
- 81.9 (4) a statement of admission policies and procedures;
- 81.10 (5) a governance, management, and administration plan for the school;
- 81.11 (6) signed agreements from charter school board members to comply with all
81.12 federal and state laws governing organizational, programmatic, and financial requirements
81.13 applicable to charter schools;
- 81.14 (7) the criteria, processes, and procedures that the authorizer will use to monitor and
81.15 evaluate the fiscal, operational, and academic performance consistent with subdivision
81.16 3, paragraphs (a) and (b);
- 81.17 (8) for contract renewal, the formal written performance evaluation of the school
81.18 that is a prerequisite for reviewing a charter contract under subdivision 3;
- 81.19 (9) types and amounts of insurance liability coverage to be obtained by the charter
81.20 school, consistent with section 124E.03, subdivision 2, paragraph (d);
- 81.21 (10) consistent with section 124E.09, paragraph (d), a provision to indemnify and
81.22 hold harmless the authorizer and its officers, agents, and employees from any suit, claim,
81.23 or liability arising from any operation of the charter school, and the commissioner and
81.24 department officers, agents, and employees notwithstanding section 3.736;
- 81.25 (11) the term of the initial contract, which may be up to five years plus ~~an additional~~
81.26 a preoperational planning year period, and up to five years for a renewed contract or a
81.27 contract with a new authorizer after a transfer of authorizers, if warranted by the school's
81.28 academic, financial, and operational performance;
- 81.29 (12) how the board of directors or the operators of the charter school will provide
81.30 special instruction and services for children with a disability under sections 125A.03
81.31 to 125A.24, and 125A.65, a description of the financial parameters within which the
81.32 charter school will operate to provide the special instruction and services to children
81.33 with a disability;
- 81.34 (13) the specific conditions for contract renewal that identify performance of all
81.35 students under the primary purpose of section 124E.01, subdivision 1, as the most
81.36 important factor in determining contract renewal;

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

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

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

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

82.20 Subd. 5. **Mutual nonrenewal.** If the authorizer and the charter school board of
82.21 directors mutually agree not to renew the contract, or if the governing board of an approved
82.22 authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause
82.23 under subdivision 4, a change in authorizers is allowed. The authorizer and the school
82.24 board must jointly submit a written and signed letter of their intent to the commissioner to
82.25 mutually not renew the contract. The authorizer that is a party to the existing contract must
82.26 inform the proposed authorizer about the fiscal, operational, and student performance status
82.27 of the school, ~~as well as any~~ including unmet contract outcomes and other outstanding
82.28 contractual obligations that exist. The charter contract between the proposed authorizer
82.29 and the school must identify and provide a plan to address any outstanding obligations from
82.30 the previous contract. The proposed contract must be submitted at least 105 business days
82.31 before the end of the existing charter contract. The commissioner shall have 30 business
82.32 days to review and make a determination. The proposed authorizer and the school shall
82.33 have 15 business days to respond to the determination and address any issues identified by
82.34 the commissioner. A final determination by the commissioner shall be made no later than
82.35 45 business days before the end of the current charter contract. If no change in authorizer

83.1 is approved, the school and the current authorizer may withdraw their letter of nonrenewal
 83.2 and enter into a new contract. If the transfer of authorizers is not approved and the current
 83.3 authorizer and the school do not withdraw their letter and enter into a new contract, the
 83.4 school must be dissolved according to applicable law and the terms of the contract.

83.5 Sec. 6. Minnesota Statutes 2015 Supplement, section 124E.16, subdivision 2, is
 83.6 amended to read:

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

83.16 (b) ~~The commissioner shall establish specifications for~~ An authorizer must submit an
 83.17 authorizer's annual public report that in a manner specified by the commissioner by January
 83.18 15 for the previous school year ending June 30 that shall at least include key indicators of
 83.19 school academic, operational, and financial performance. The report is part of the system
 83.20 to evaluate authorizer performance under section 124E.05, subdivision 5. The report shall
 83.21 at least include key indicators of school academic, operational, and financial performance.

83.22 Sec. 7. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

83.23 Subd. 6a. **Cash flow adjustment.** The board of directors of any ~~charter school~~
 83.24 ~~servicing fewer than 200 students where the percent of students eligible for special~~
 83.25 ~~education services equals at least 90 percent of the charter school's total enrollment~~
 83.26 eligible special education charter school under section 124E.21, subdivision 2, may
 83.27 request that the commissioner of education accelerate the school's cash flow under this
 83.28 section. The commissioner must approve a properly submitted request within 30 days of
 83.29 its receipt. The commissioner must accelerate the school's regular special education aid
 83.30 payments according to the schedule in the school's request and modify the payments to the
 83.31 school under subdivision 3 accordingly. A school must not receive current payments of
 83.32 regular special education aid exceeding 90 percent of its estimated aid entitlement for the
 83.33 fiscal year. The commissioner must delay the special education aid payments to all other
 83.34 school districts and charter schools in proportion to each district or charter school's total

84.1 share of regular special education aid such that the overall aid payment savings from the
84.2 aid payment shift remains unchanged for any fiscal year.

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

84.5 Sec. 8. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective
84.6 date, is amended to read:

84.7 **EFFECTIVE DATE.** This section is effective the day following final enactment
84.8 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing
84.9 pupils to enroll in a charter school is effective ~~only if the commissioner of education~~
84.10 ~~determines there is no added cost attributable to the pupil~~ for the 2016-2017 school year
84.11 and later.

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

84.13 **ARTICLE 4**

84.14 **SPECIAL EDUCATION**

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

84.16 **120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION**
84.17 **TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL**
84.18 **LEARNING PLANS.**

84.19 (a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15,
84.20 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school
84.21 districts, beginning in the 2013-2014 school year, must assist all students by no later
84.22 than grade 9 to explore their educational, college, and career interests, aptitudes, and
84.23 aspirations and develop a plan for a smooth and successful transition to postsecondary
84.24 education or employment. All students' plans must:

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

84.29 (2) emphasize academic rigor and high expectations;

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

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

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

85.4 (6) integrate strong academic content into career-focused courses and applied and
85.5 experiential learning opportunities and integrate relevant career-focused courses and
85.6 applied and experiential learning opportunities into strong academic content;

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

85.11 (8) help identify collaborative partnerships among prekindergarten through grade
85.12 12 schools, postsecondary institutions, economic development agencies, and local and
85.13 regional employers that support students' transition to postsecondary education and
85.14 employment and provide students with applied and experiential learning opportunities; and

85.15 (9) be reviewed and revised at least annually by the student, the student's parent or
85.16 guardian, and the school or district to ensure that the student's course-taking schedule keeps
85.17 the student making adequate progress to meet state and local academic standards and high
85.18 school graduation requirements and with a reasonable chance to succeed with employment
85.19 or postsecondary education without the need to first complete remedial course work.

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

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

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

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

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

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

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

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

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

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

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

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

86.15 (ii) is an English learner;

86.16 (iii) is homeless;

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

86.19 (v) is identified, through health and developmental screenings under sections
 86.20 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

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

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

86.23 **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

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

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

86.27 (1) all students with disabilities are provided the special instruction and services
 86.28 which are appropriate to their needs. Where the individualized education program team
 86.29 has determined appropriate goals and objectives based on the student's needs, including
 86.30 the extent to which the student can be included in the least restrictive environment,
 86.31 and where there are essentially equivalent and effective instruction, related services, or
 86.32 assistive technology devices available to meet the student's needs, cost to the district may
 86.33 be among the factors considered by the team in choosing how to provide the appropriate
 86.34 services, instruction, or devices that are to be made part of the student's individualized

87.1 education program. The individualized education program team shall consider and
87.2 may authorize services covered by medical assistance according to section 256B.0625,
87.3 subdivision 26. The student's needs and the special education instruction and services to
87.4 be provided must be agreed upon through the development of an individualized education
87.5 program. The program must address the student's need to develop skills to live and work
87.6 as independently as possible within the community. The individualized education program
87.7 team must consider positive behavioral interventions, strategies, and supports that address
87.8 behavior needs for children. During grade 9, the program must address the student's
87.9 needs for transition from secondary services to postsecondary education and training,
87.10 employment, community participation, recreation, and leisure and home living. In
87.11 developing the program, districts must inform parents of the full range of transitional goals
87.12 and related services that should be considered. The program must include a statement of
87.13 the needed transition services, including a statement of the interagency responsibilities
87.14 or linkages or both before secondary services are concluded. If the IEP meets the plan
87.15 components in section 120B.125, the IEP satisfies the requirement and no additional
87.16 transition plan is needed;

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

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

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

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

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

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

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

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

88.11 (2) annual training opportunities are required to enable the paraprofessional to
88.12 continue to further develop the knowledge and skills that are specific to the students with
88.13 whom the paraprofessional works, including understanding disabilities, the unique and
88.14 individual needs of each student according to the student's disability and how the disability
88.15 affects the student's education and behavior, following lesson plans, and implementing
88.16 follow-up instructional procedures and activities; and

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

88.20 Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.083, is amended to read:

88.21 **125A.083 STUDENT INFORMATION SYSTEMS; TRANSFERRING**
88.22 **RECORDS.**

88.23 (a) To efficiently and effectively meet federal and state compliance and
88.24 accountability requirements using an online case management reporting system, beginning
88.25 July 1, 2018, a school districts district may contract only for a student information system
88.26 that is Schools Interoperability Framework compliant ~~and compatible with the~~.

88.27 (b) Beginning on July 1 of the fiscal year following the year that the commissioner
88.28 of education certifies to the legislature under paragraph (c) that a compatible compliant
88.29 system exists, a school district must use an online system for compliance reporting
88.30 under section 125A.085 ~~beginning in the 2018-2019 school year and later~~. A district's
88.31 information system under this section must facilitate the seamless transfer of student
88.32 records for a student with disabilities who transfers between school districts, including
88.33 records containing the student's evaluation report, service plan, and other due process
88.34 forms and information, regardless of what information system any one district uses.

89.1 (c) As a part of the annual report required under section 125A.085, paragraph (f), the
89.2 commissioner must specify whether a compatible compliant system exists and if so, list
89.3 each vendor's systems that meet the criteria in paragraph (b).

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

89.5 Sec. 6. Minnesota Statutes 2014, section 125A.091, subdivision 11, is amended to read:

89.6 Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP, or
89.7 **HP multiagency** team meeting led by an impartial state-provided facilitator to promote
89.8 effective communication and assist a team in developing an individualized education
89.9 program.

89.10 Sec. 7. Minnesota Statutes 2015 Supplement, section 125A.0942, subdivision 3,
89.11 is amended to read:

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

89.15 (1) physical holding or seclusion is the least intrusive intervention that effectively
89.16 responds to the emergency;

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

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

89.20 (4) staff directly observes the child while physical holding or seclusion is being used;

89.21 (5) each time physical holding or seclusion is used, the staff person who implements
89.22 or oversees the physical holding or seclusion documents, as soon as possible after the
89.23 incident concludes, the following information:

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

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

89.27 (iii) the time the physical holding or seclusion began and the time the child was
89.28 released; and

89.29 (iv) a brief record of the child's behavioral and physical status;

89.30 (6) the room used for seclusion must:

89.31 (i) be at least six feet by five feet;

89.32 (ii) be well lit, well ventilated, adequately heated, and clean;

89.33 (iii) have a window that allows staff to directly observe a child in seclusion;

90.1 (iv) have tamperproof fixtures, electrical switches located immediately outside the
 90.2 door, and secure ceilings;

90.3 (v) have doors that open out and are unlocked, locked with keyless locks that
 90.4 have immediate release mechanisms, or locked with locks that have immediate release
 90.5 mechanisms connected with a fire and emergency system; and

90.6 (vi) not contain objects that a child may use to injure the child or others; and

90.7 (7) before using a room for seclusion, a school must:

90.8 (i) receive written notice from local authorities that the room and the locking
 90.9 mechanisms comply with applicable building, fire, and safety codes; and

90.10 (ii) register the room with the commissioner, who may view that room; and

90.11 ~~(8) until August 1, 2015, a school district may use prone restraints with children
 90.12 age five or older if:~~

90.13 ~~(i) the district has provided to the department a list of staff who have had specific
 90.14 training on the use of prone restraints;~~

90.15 ~~(ii) the district provides information on the type of training that was provided and
 90.16 by whom;~~

90.17 ~~(iii) only staff who received specific training use prone restraints;~~

90.18 ~~(iv) each incident of the use of prone restraints is reported to the department within
 90.19 five working days on a form provided by the department; and~~

90.20 ~~(v) the district, before using prone restraints, must review any known medical or
 90.21 psychological limitations that contraindicate the use of prone restraints.~~

90.22 ~~The department must collect data on districts' use of prone restraints and publish the
 90.23 data in a readily accessible format on the department's Web site on a quarterly basis.~~

90.24 (b) By February 1, 2015, and annually thereafter, stakeholders may, as necessary,
 90.25 recommend to the commissioner specific and measurable implementation and outcome
 90.26 goals for reducing the use of restrictive procedures and the commissioner must submit to
 90.27 the legislature a report on districts' progress in reducing the use of restrictive procedures
 90.28 that recommends how to further reduce these procedures and eliminate the use of
 90.29 ~~prone restraints~~ seclusion. The statewide plan includes the following components:
 90.30 measurable goals; the resources, training, technical assistance, mental health services,
 90.31 and collaborative efforts needed to significantly reduce districts' use of ~~prone restraints~~
 90.32 seclusion; and recommendations to clarify and improve the law governing districts' use
 90.33 of restrictive procedures. The commissioner must consult with interested stakeholders
 90.34 when preparing the report, including representatives of advocacy organizations, special
 90.35 education directors, teachers, paraprofessionals, intermediate school districts, school
 90.36 boards, day treatment providers, county social services, state human services department

91.1 staff, mental health professionals, and autism experts. ~~By June 30~~ Beginning with the
 91.2 2016-2017 school year, in a form and manner determined by the commissioner, districts
 91.3 must report data quarterly to the department by January 15, April 15, July 15, and October
 91.4 15 about individual students who have been secluded. By July 15 each year, districts
 91.5 must report summary data on their use of restrictive procedures to the department for
 91.6 the prior school year, July 1 through June 30, in a form and manner determined by the
 91.7 commissioner. The summary data must include information about the use of restrictive
 91.8 procedures, including use of reasonable force under section 121A.582.

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

91.11 Sec. 8. Minnesota Statutes 2014, section 125A.0942, subdivision 4, is amended to read:

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

91.13 (1) engaging in conduct prohibited under section 121A.58;

91.14 (2) requiring a child to assume and maintain a specified physical position, activity,
 91.15 or posture that induces physical pain;

91.16 (3) totally or partially restricting a child's senses as punishment;

91.17 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,
 91.18 substance, or spray as punishment;

91.19 (5) denying or restricting a child's access to equipment and devices such as walkers,
 91.20 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,
 91.21 except when temporarily removing the equipment or device is needed to prevent injury
 91.22 to the child or others or serious damage to the equipment or device, in which case the
 91.23 equipment or device shall be returned to the child as soon as possible;

91.24 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or
 91.25 physical abuse under section 626.556;

91.26 (7) withholding regularly scheduled meals or water;

91.27 (8) denying access to bathroom facilities; ~~and~~

91.28 (9) physical holding that restricts or impairs a child's ability to breathe, restricts or
 91.29 impairs a child's ability to communicate distress, places pressure or weight on a child's
 91.30 head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in
 91.31 straddling a child's torso; and

91.32 (10) prone restraint.

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

92.1 Sec. 9. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
92.2 amended to read:

92.3 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
92.4 later, when a school district provides special instruction and services for a pupil with
92.5 a disability as defined in section 125A.02 outside the district of residence, excluding
92.6 a pupil for whom an adjustment to special education aid is calculated according to
92.7 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
92.8 resident district must be reduced by an amount equal to (1) the actual cost of providing
92.9 special instruction and services to the pupil, including a proportionate amount for special
92.10 transportation ~~and unreimbursed building lease and debt service costs for facilities~~
92.11 ~~used primarily for special education~~, plus (2) the amount of general education revenue,
92.12 excluding local optional revenue, plus local optional aid and referendum equalization aid
92.13 attributable to that pupil, calculated using the resident district's average general education
92.14 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
92.15 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
92.16 amount of special education aid for children with a disability under section 125A.76
92.17 received on behalf of that child, minus (4) if the pupil receives special instruction and
92.18 services outside the regular classroom for more than 60 percent of the school day, the
92.19 amount of general education revenue and referendum equalization aid, excluding portions
92.20 attributable to district and school administration, district support services, operations and
92.21 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
92.22 for the portion of time the pupil receives special instruction and services outside of the
92.23 regular classroom, calculated using the resident district's average general education
92.24 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
92.25 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
92.26 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
92.27 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
92.28 cooperative unit without a fiscal agent school district, the general education revenue and
92.29 referendum equalization aid attributable to a pupil must be calculated using the resident
92.30 district's average general education revenue and referendum equalization aid excluding
92.31 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
92.32 Special education aid paid to the district or cooperative providing special instruction and
92.33 services for the pupil must be increased by the amount of the reduction in the aid paid
92.34 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
92.35 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
92.36 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~

93.1 the resident district's special education aid is insufficient to make the full adjustment, the
 93.2 remaining adjustment shall be made to other state aid due to the district.

93.3 (b) Notwithstanding paragraph (a), when a charter school receiving special education
 93.4 aid under section 124E.21, subdivision 3, provides special instruction and services for
 93.5 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
 93.6 adjustment to special education aid is calculated according to section 127A.46, subdivision
 93.7 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
 93.8 by an amount equal to that calculated under paragraph (a) as if the charter school received
 93.9 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
 93.10 aid paid to the charter school providing special instruction and services for the pupil must
 93.11 not be increased by the amount of the reduction in the aid paid to the resident district.

93.12 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
 93.13 (b) to (d);

93.14 (1) an intermediate district or a special education cooperative may recover
 93.15 unreimbursed costs of serving pupils with a disability, including building lease, debt
 93.16 service, and indirect costs necessary for the general operation of the organization, by
 93.17 billing membership fees and nonmember access fees to the resident district;

93.18 (2) a charter school where more than 30 percent of enrolled students receive special
 93.19 education and related services, a site approved under section 125A.515, an intermediate
 93.20 district, ~~or a special education cooperative, or a school district that served as the applicant~~
 93.21 ~~agency for a group of school districts for federal special education aids for fiscal year 2006~~
 93.22 may apply to the commissioner for authority to charge the resident district an additional
 93.23 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

93.24 (3) the billing under clause (1) or application under clause (2) must include a
 93.25 description of the costs and the calculations used to determine the unreimbursed portion to
 93.26 be charged to the resident district. Amounts approved by the commissioner under this
 93.27 paragraph clause (2) must be included in the tuition billings or aid adjustments under
 93.28 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

93.29 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
 93.30 (b), "general education revenue and referendum equalization aid" means the sum of the
 93.31 general education revenue according to section 126C.10, subdivision 1, excluding the
 93.32 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
 93.33 referendum equalization aid according to section 126C.17, subdivision 7.

93.34 Sec. 10. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
 93.35 amended to read:

94.1 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~
 94.2 School districts must reserve third-party revenue and must spend the reimbursements
 94.3 received only to:

94.4 (1) retain an amount sufficient to compensate the district for its administrative costs
 94.5 of obtaining reimbursements;

94.6 (2) regularly obtain from education- and health-related entities training and other
 94.7 appropriate technical assistance designed to improve the district's ability to access
 94.8 third-party payments for individualized education program or individualized family
 94.9 service plan health-related services; or

94.10 (3) reallocate reimbursements for the benefit of students with individualized
 94.11 education programs or individualized family service plans in the district.

94.12 Sec. 11. Minnesota Statutes 2015 Supplement, section 125A.63, subdivision 4, is
 94.13 amended to read:

94.14 Subd. 4. **Advisory committees.** (a) The commissioner shall establish advisory
 94.15 committees for the deaf and hard-of-hearing and for the blind and visually impaired. The
 94.16 advisory committees shall develop recommendations and submit an annual report to the
 94.17 commissioner on the form and in the manner prescribed by the commissioner.

94.18 (b) The advisory committees for the deaf and hard of hearing and for the blind and
 94.19 visually impaired shall meet periodically at least four times per year ~~and~~. The committees
 94.20 must each review, approve, and submit an annual a biennial report to the commissioner,
 94.21 the education policy and finance committees of the legislature, and the Commission of
 94.22 Deaf, DeafBlind, and Hard-of-Hearing Minnesotans. The reports must, at least:

94.23 (1) identify and report the aggregate, data-based education outcomes for children
 94.24 with the primary disability classification of deaf and hard of hearing or of blind and
 94.25 visually impaired, consistent with the commissioner's child count reporting practices, the
 94.26 commissioner's state and local outcome data reporting system by district and region, and
 94.27 the school performance report cards under section 120B.36, subdivision 1; and

94.28 (2) describe the implementation of a data-based plan for improving the education
 94.29 outcomes of deaf and hard of hearing or blind and visually impaired children that is
 94.30 premised on evidence-based best practices, and provide a cost estimate for ongoing
 94.31 implementation of the plan.

94.32 Sec. 12. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c,
 94.33 is amended to read:

95.1 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
95.2 district's special education aid equals the sum of the district's special education aid under
95.3 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the
95.4 district's excess cost aid under section 125A.79, subdivision 7.

95.5 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
95.6 the district's special education initial aid under subdivision 2a and the district's excess cost
95.7 aid under section 125A.79, subdivision 5.

95.8 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
95.9 a school district must not exceed the sum of the special education aid the district would
95.10 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
95.11 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
95.12 127A.47, subdivision 7, and the product of the district's average daily membership served
95.13 and the special education aid increase limit.

95.14 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
95.15 aid for a school district must not exceed the sum of: (i) the product of the district's average
95.16 daily membership served and the special education aid increase limit and (ii) the product
95.17 of the sum of the special education aid the district would have received for fiscal year 2016
95.18 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
95.19 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
95.20 the district's average daily membership served for the current fiscal year to the district's
95.21 average daily membership served for fiscal year 2016, and the program growth factor.

95.22 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
95.23 education aid for a school district, not including a charter school or cooperative unit as
95.24 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
95.25 special education expenditures for that fiscal year or (2) the product of the sum of the
95.26 special education aid the district would have received for fiscal year 2016 under Minnesota
95.27 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
95.28 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
95.29 daily membership for the current fiscal year to the district's average daily membership for
95.30 fiscal year 2016, and the program growth factor.

95.31 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first
95.32 year of operation shall generate special education aid based on current year data. A newly
95.33 formed cooperative unit as defined in section 123A.24 may apply to the commissioner
95.34 for approval to generate special education aid for its first year of operation based on
95.35 current year data, with an offsetting adjustment to the prior year data used to calculate aid

96.1 for programs at participating school districts or previous cooperatives that were replaced
96.2 by the new cooperative.

96.3 (g) The department shall establish procedures through the uniform financial
96.4 accounting and reporting system to identify and track all revenues generated from
96.5 third-party billings as special education revenue at the school district level; include revenue
96.6 generated from third-party billings as special education revenue in the annual cross-subsidy
96.7 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

96.8 Sec. 13. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
96.9 amended to read:

96.10 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
96.11 subdivision apply.

96.12 (a) "Unreimbursed old formula special education expenditures" means:

96.13 (1) old formula special education expenditures for the prior fiscal year; minus

96.14 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
96.15 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
96.16 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
96.17 initial aid under section 125A.76, subdivision 2a; minus

96.18 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
96.19 local optional revenue, plus local optional aid and referendum equalization aid for the
96.20 prior fiscal year attributable to pupils receiving special instruction and services outside the
96.21 regular classroom for more than 60 percent of the school day for the portion of time the
96.22 pupils receive special instruction and services outside the regular classroom, excluding
96.23 portions attributable to district and school administration, district support services,
96.24 operations and maintenance, capital expenditures, and pupil transportation.

96.25 (b) "Unreimbursed nonfederal special education expenditures" means:

96.26 (1) nonfederal special education expenditures for the prior fiscal year; minus

96.27 (2) special education initial aid under section 125A.76, subdivision 2a; minus

96.28 (3) the amount of general education revenue, excluding local optional revenue, plus
96.29 local optional aid, and referendum equalization aid for the prior fiscal year attributable
96.30 to pupils receiving special instruction and services outside the regular classroom for
96.31 more than 60 percent of the school day for the portion of time the pupils receive special
96.32 instruction and services outside of the regular classroom, excluding portions attributable to
96.33 district and school administration, district support services, operations and maintenance,
96.34 capital expenditures, and pupil transportation.

97.1 (c) "General revenue" for a school district means the sum of the general education
97.2 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
97.3 revenue, local optional revenue, and total operating capital revenue. "General revenue"
97.4 for a charter school means the sum of the general education revenue according to section
97.5 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
97.6 excluding referendum equalization aid, transportation sparsity revenue, and operating
97.7 capital revenue.

97.8 Sec. 14. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
97.9 amended to read:

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

97.14 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
97.15 education and services" means the difference between: (1) the actual cost of providing
97.16 special instruction and services, including special transportation and unreimbursed
97.17 building lease and debt service costs for facilities used primarily for special education, for
97.18 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
97.19 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
97.20 receives special instruction and services outside the regular classroom for more than
97.21 60 percent of the school day, the amount of general education revenue, excluding local
97.22 optional revenue, plus local optional aid and referendum equalization aid as defined in
97.23 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
97.24 time the pupil receives special instruction and services outside of the regular classroom,
97.25 excluding portions attributable to district and school administration, district support
97.26 services, operations and maintenance, capital expenditures, and pupil transportation,
97.27 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
97.28 received by the district providing special instruction and services. For purposes of this
97.29 paragraph, general education revenue and referendum equalization aid attributable to a
97.30 pupil must be calculated using the serving district's average general education revenue
97.31 and referendum equalization aid per adjusted pupil unit.

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

98.1 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
98.2 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
98.3 education and services provided to students at an intermediate district, cooperative, or
98.4 charter school where the percent of students eligible for special education services is at
98.5 least 70 percent of the charter school's total enrollment.

98.6 (e) Notwithstanding paragraph (c), special education aid paid to a resident district
98.7 must be reduced under paragraph (d) for students at a charter school receiving special
98.8 education aid under section 124E.21, subdivision 3, calculated as if the charter school
98.9 received special education aid under section 124E.21, subdivision 1.

98.10 (f) Special education aid paid to the district or cooperative providing special
98.11 instruction and services for the pupil, or to the fiscal agent district for a cooperative, must
98.12 be increased by the amount of the reduction in the aid paid to the resident district under
98.13 paragraphs (c) and (d). If the resident district's special education aid is insufficient to make
98.14 the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be
98.15 made to other state aids due to the district.

98.16 (g) Notwithstanding paragraph (a), general education aid paid to the resident district
98.17 of a nonspecial education student for whom an eligible special education charter school
98.18 receives general education aid under section 124E.20, subdivision 1, paragraph (c), must
98.19 be reduced by an amount equal to the difference between the general education aid
98.20 attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the
98.21 general education aid that the student would have generated for the charter school under
98.22 section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial
98.23 education student" means a student who does not meet the definition of pupil with a
98.24 disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

98.25 (h) An area learning center operated by a service cooperative, intermediate district,
98.26 education district, or a joint powers cooperative may elect through the action of the
98.27 constituent boards to charge the resident district tuition for pupils rather than to have the
98.28 general education revenue paid to a fiscal agent school district. Except as provided in
98.29 paragraph (f), the district of residence must pay tuition equal to at least 90 and no more
98.30 than 100 percent of the district average general education revenue per pupil unit minus
98.31 an amount equal to the product of the formula allowance according to section 126C.10,
98.32 subdivision 2, times .0466, calculated without compensatory revenue, local optional
98.33 revenue, and transportation sparsity revenue, times the number of pupil units for pupils
98.34 attending the area learning center.

99.1 Sec. 15. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 99.2 2, is amended to read:

99.3 Subd. 2. **Special education; regular.** For special education aid under Minnesota
 99.4 Statutes, section 125A.75:

99.5		1,170,929,000		
99.6	\$	<u>1,183,619,000</u>	.....	2016
99.7		1,229,706,000		
99.8	\$	<u>1,246,997,000</u>	.....	2017

99.9 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~
 99.10 \$1,045,687,000 for 2016.

99.11 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and
 99.12 ~~\$1,084,351,000~~ \$1,099,795,000 for 2017.

99.13 Sec. 16. **REDUCING STATE-GENERATED SPECIAL EDUCATION**
 99.14 **PAPERWORK.**

99.15 Notwithstanding other law to the contrary in fiscal years 2017 and 2018, the
 99.16 commissioner of education must use existing budgetary resources to identify and remove
 99.17 25 percent of the paperwork burden on Minnesota special education teachers that results
 99.18 from state but not federally mandated special education compliance reporting requirements.

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

99.20 Sec. 17. **APPROPRIATION CANCELED.**

99.21 \$1,686,000 on June 30, 2016, is transferred from the information and
 99.22 telecommunications technology systems and services account under Minnesota Statutes,
 99.23 section 16E.21, to the general fund. This represents the amount the Department of
 99.24 Education transferred to that account in fiscal year 2015 after determining that the special
 99.25 education paperwork reduction activities authorized in an appropriation under Laws 2013,
 99.26 chapter 116, article 5, section 31, subdivision 8, were not feasible based on a onetime
 99.27 appropriation.

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

99.29 **ARTICLE 5**
 99.30 **FACILITIES AND TECHNOLOGY**

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

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

100.3 (1) the amount needed to produce between five and six percent in excess of the
100.4 amount needed to meet when due the principal and interest payments on the obligations
100.5 of the district for eligible projects according to subdivision 2, including the amounts
100.6 necessary for repayment of ~~energy loans according to section 216C.37 or sections 298.292~~
100.7 ~~to 298.298~~, debt service loans, capital loans, and lease purchase payments under section
100.8 126C.40, subdivision 2, excluding long-term facilities maintenance levies under section
100.9 123B.595, minus

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

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

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

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

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

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

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

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

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

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

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

100.32 Subd. 2. **Radon testing.** A school district may include radon testing as a part of
100.33 its ~~health and safety~~ ten-year facility plan under section 123B.595, subdivision 4. If a
100.34 school district receives authority to use ~~health and safety~~ long-term facilities maintenance

101.1 revenue to conduct radon testing, the district shall conduct the testing according to the
101.2 radon testing plan developed by the commissioners of health and education.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

102.12 (1) the lesser of the district's long-term facilities maintenance equalization revenue
102.13 or the amount of aid the district received for fiscal year 2015 under Minnesota Statutes
102.14 2014, section 123B.59, subdivision 6; or

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

102.20 (b) For purposes of this subdivision, "adjusted net tax capacity" means the value
102.21 described in section 126C.01, subdivision 2, paragraph (b).

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

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

102.26 Subd. 8a. **Long-term facilities maintenance unequalized levy.** For fiscal year
102.27 2017 and later, a district's long-term facilities maintenance unequalized levy equals the
102.28 difference between the district's revenue under subdivision 1 and the district's equalization
102.29 revenue under subdivision 7.

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

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

103.3 Subd. 9. **Long-term facilities maintenance equalized aid.** For fiscal year 2017
103.4 and later, a district's long-term facilities maintenance equalized aid equals its long-term
103.5 facilities maintenance equalization revenue minus its long-term facilities maintenance
103.6 equalized levy times the ratio of the actual equalized amount levied to the permitted
103.7 equalized levy.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

104.19 (1) insurance proceeds;

104.20 (2) restitution proceeds; and

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

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

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

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

104.32 Subd. 8. **Review and comment.** A school district, a special education cooperative,
 104.33 or a cooperative unit of government, as defined in section 123A.24, subdivision 2,

105.1 must not initiate an installment contract for purchase or a lease agreement, hold a
105.2 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of
105.3 an educational facility that requires an expenditure in excess of \$500,000 per school site if
105.4 it has a capital loan outstanding, or \$2,000,000 per school site if it does not have a capital
105.5 loan outstanding, prior to review and comment by the commissioner. A facility addition,
105.6 maintenance project, or remodeling project funded only with general education revenue,
105.7 ~~deferred maintenance revenue, alternative facilities bonding and levy program revenue,~~
105.8 lease levy proceeds, capital facilities bond proceeds, or ~~health and safety long-term~~
105.9 facilities maintenance revenue is exempt from this provision. A capital project under
105.10 section 123B.63 addressing only technology is exempt from this provision if the district
105.11 submits a school board resolution stating that funds approved by the voters will be used
105.12 only as authorized in section 126C.10, subdivision 14. A school board shall not separate
105.13 portions of a single project into components to avoid the requirements of this subdivision.

105.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
105.15 and applies to review and comments for projects funded with revenue for fiscal year
105.16 2017 and later.

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

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

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

105.24 Subd. 8. **Account transfer for reorganizing districts.** A district that has
105.25 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has
105.26 conducted a successful referendum on the question of combination under section
105.27 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has
105.28 been assigned an identification number by the commissioner under section 123A.48,
105.29 subdivision 16, may make permanent transfers between any of the funds or accounts in
105.30 the newly created or enlarged district with the exception of the debt redemption fund,
105.31 building construction fund, food service fund, and health and safety long-term facilities
105.32 maintenance account of the ~~capital expenditure~~ general fund. Fund transfers under this
105.33 section may be made for up to one year prior to the effective date of combination or
105.34 consolidation by the consolidating boards and during the year following the effective date

106.1 of reorganization by the consolidated board. The newly formed board of the combined
 106.2 district may adopt a resolution on or before August 30 of the year of the reorganization
 106.3 authorizing a transfer among accounts or funds of the previous independent school
 106.4 districts which transfer or transfers shall be reported in the affected districts' audited
 106.5 financial statements for the year immediately preceding the consolidation.

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

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

106.9 Subd. 9. **Elimination of reserve accounts.** ~~A school board shall eliminate all~~
 106.10 ~~reserve accounts established in the school district's general fund under Minnesota Statutes~~
 106.11 ~~before July 1, 2006, for which no specific authority remains in statute as of June 30, 2007.~~
 106.12 Any balance in the district's reserved for bus purchases account for deferred maintenance
 106.13 as of June 30, 2007 2016, shall be transferred to the reserved account for operating capital
 106.14 long-term facilities maintenance in the school district's general fund. ~~Any balance in~~
 106.15 ~~other reserved accounts established in the school district's general fund under Minnesota~~
 106.16 ~~Statutes before July 1, 2006, for which no specific authority remains in statute as of June~~
 106.17 ~~30, 2007, shall be transferred to the school district's unreserved general fund balance.~~
 106.18 ~~A school board may, upon adoption of a resolution by the school board, establish a~~
 106.19 ~~designated account for any program for which a reserved account has been eliminated.~~
 106.20 Any balance in the district's reserved account for health and safety as of June 30, 2019,
 106.21 shall be transferred to the unassigned fund balance account in the district's general fund.
 106.22 Any balance in the district's reserved account for alternative facilities as of June 30, 2016,
 106.23 shall be transferred to the reserved account for long-term facilities maintenance in the
 106.24 district's building construction fund.

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

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

106.28 Subd. 5. **Energy conservation.** ~~For loans approved before March 1, 1998, the~~
 106.29 ~~district may annually include as revenue under section 123B.53, without the approval of a~~
 106.30 ~~majority of the voters in the district, an amount sufficient to repay the annual principal and~~
 106.31 ~~interest of the loan made pursuant to sections 216C.37 and 298.292 to 298.298. For energy~~
 106.32 ~~loans approved after March 1, 1998, under sections 216C.37 and 298.292 to 298.298,~~

107.1 school districts must annually transfer from the general fund to the debt redemption fund
107.2 the amount sufficient to pay interest and principal on the loans.

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

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

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

107.9 (2) Notwithstanding any other law to the contrary, districts that have revenue
107.10 pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed
107.11 under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to
107.12 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed
107.13 mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A,
107.14 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy
107.15 under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's
107.16 revenue specified under this clause and the amount attributable to the same production
107.17 year distributed to the cities and townships within the school district under section 298.28,
107.18 subdivision 2, paragraph (c).

107.19 (3) The amount of any voter approved referendum, facilities down payment, and
107.20 debt levies shall not be reduced by more than 50 percent under this subdivision, except
107.21 that payments under section 298.28, subdivision 7a, may reduce the debt service levy by
107.22 more than 50 percent. In administering this paragraph, the commissioner shall first reduce
107.23 the nonvoter approved levies of a district; then, if any payments, severed mineral value
107.24 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
107.25 reduce any voter approved referendum levies authorized under section 126C.17; then, if
107.26 any payments, severed mineral value tax revenue or recognized revenue under paragraph
107.27 (2) remains, the commissioner shall reduce any voter approved facilities down payment
107.28 levies authorized under section 123B.63 and then, if any payments, severed mineral value
107.29 tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall
107.30 reduce any voter approved debt levies.

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

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

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

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

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

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

108.23 Sec. 18. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to
108.24 read:

108.25 Sec. 8. **EARLY REPAYMENT.**

108.26 (a) A school district that received a maximum effort capital loan prior to January
108.27 1, 1997, may repay the full outstanding original principal on its capital loan prior to
108.28 July 1, 2012, and the liability of the district on the loan is satisfied and discharged and
108.29 interest on the loan ceases.

108.30 (b) A school district with an outstanding capital loan balance that received a
108.31 maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of
108.32 education by November 30, 2016, the full outstanding original principal on its capital

109.1 loan and the liability of the district on the loan is satisfied and discharged and interest
109.2 on the loan ceases.

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

109.4 Sec. 19. **INTERNET BROADBAND EXPANSION FOR STUDENTS;**
109.5 **INNOVATIVE GRANTS.**

109.6 Subdivision 1. **Broadband Wi-Fi hot spots.** (a) A school district is eligible for a
109.7 broadband hot spot grant not to exceed \$100,000 to support wireless off-campus learning
109.8 through a student's use of a data card, USB modem, or other mobile broadband device
109.9 that enables the student to access learning materials available on the Internet through a
109.10 mobile broadband connection. A district's application for a grant under this subdivision
109.11 must describe its approach for identifying and prioritizing access for low-income students
109.12 and others otherwise unable to access the Internet and may include a description of
109.13 local or private matching grants or in-kind contributions. When evaluating applications,
109.14 the commissioner may give priority to grant applications that include local in-kind
109.15 contributions.

109.16 (b) A school district may develop its application in cooperation with its community
109.17 education department, its adult basic education program provider, a public library, or other
109.18 community partner. A cooperative grant award under this paragraph may not exceed
109.19 \$200,000.

109.20 (c) A school district that qualifies for general education transportation sparsity
109.21 revenue under Minnesota Statutes, section 126C.10, may apply to the commissioner of
109.22 education for a school bus Internet access grant as a part of its grant application under
109.23 paragraph (a). The commissioner of education must prioritize grants to districts with the
109.24 longest bus routes. A school district that receives a grant under this subdivision may use
109.25 the grant to purchase or lease equipment designed to make Internet access available on
109.26 school buses, including routers and mobile Wi-Fi hot spots to connect to the Internet, and
109.27 may also purchase or lease one-to-one devices for students. The one-to-one devices may
109.28 be connected to the Internet through the Wi-Fi hot spot or otherwise contain content
109.29 for age-appropriate, self-directed learning.

109.30 Subd. 2. **Capacity-building grants.** A school district that is a member of
109.31 a telecommunications access cluster may submit an application approved by its
109.32 telecommunications access cluster to the commissioner of education for a broadband
109.33 access grant. The grant application may include a description of local or private matching
109.34 grants or in-kind contributions. When evaluating applications, the commissioner may give

110.1 priority to grant applications that include local in-kind contributions. The maximum
 110.2 amount of each grant may not exceed \$100,000. The grant may be used in any manner and
 110.3 with any community partners that allow the school district to expand telecommunications
 110.4 access to its students, teachers, and community members.

110.5 Subd. 3. **Internet access for students.** Consistent with Minnesota Statutes, section
 110.6 125B.15, all grant applications submitted under this section must demonstrate to the
 110.7 commissioner's satisfaction that the Internet access provided through the grant proceeds
 110.8 will include filtering technology or other effective methods to limit student access to
 110.9 material that is reasonably believed to be obscene, child pornography, or material harmful
 110.10 to minors under federal or state law.

110.11 Sec. 20. **APPROPRIATIONS.**

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

110.15 Subd. 2. **Broadband expansion grants.** For broadband expansion grants:

110.16 \$ 7,000,000 2017

110.17 Of this amount, \$5,000,000 is for broadband Wi-Fi hot spots under section 19,
 110.18 subdivision 1, and \$2,000,000 is for capacity-building grants under section 19, subdivision
 110.19 2. This is a onetime appropriation. This appropriation is available until June 30, 2019.

110.20 Sec. 21. **REPEALER.**

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

110.23 **ARTICLE 6**

110.24 **EARLY CHILDHOOD EDUCATION**

110.25 Section 1. **[124D.1295] EARLY LEARNING PROGRAM COORDINATION.**

110.26 Subdivision 1. **Early learning program coordination.** A school board, after
 110.27 receiving written comments from its early childhood advisory council or its community
 110.28 education council, may adopt a resolution allowing the district to offer an integrated early
 110.29 learning program. An integrated early learning program may provide for early childhood
 110.30 family education services, school readiness services, and other early learning programs
 110.31 providing services to parents and children. A school district's integrated early learning

111.1 program must continue to contain components of parent education, opportunities for early
111.2 learning activities for families with young children, and school readiness activities.

111.3 Subd. 2. **Early learning program revenue sources.** A school district's early
111.4 learning program revenue includes its early childhood family education revenue under
111.5 section 124D.135, school readiness program revenue under section 124D.16, and any
111.6 other revenues set aside for early learning activities.

111.7 Subd. 3. **Reserve account.** A district that offers an integrated early learning
111.8 program must place all of the revenue it receives under subdivision 2 in an early learning
111.9 program reserve account established in the community service fund.

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

111.11 Sec. 2. Minnesota Statutes 2014, section 124D.13, subdivision 1, is amended to read:

111.12 Subdivision 1. **Establishment; purpose.** A district that provides a community
111.13 education program under sections 124D.18 and 124D.19 may establish an early childhood
111.14 family education program as an individual program or as a part of an early learning
111.15 program under section 124D.1295. Two or more districts, each of which provides a
111.16 community education program, may cooperate to jointly provide an early childhood
111.17 family education program. The purpose of the early childhood family education program
111.18 is to provide parenting education to support children's learning and development.

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

111.20 Sec. 3. Minnesota Statutes 2014, section 124D.13, subdivision 5, is amended to read:

111.21 Subd. 5. **Separate accounts.** The A district operating an early childhood family
111.22 education program independent of an early learning program under section 124D.1295
111.23 must maintain a separate account within the community education fund for money for
111.24 early childhood family education programs.

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

111.26 Sec. 4. Minnesota Statutes 2014, section 124D.13, subdivision 9, is amended to read:

111.27 Subd. 9. **District advisory councils.** The board must appoint an advisory council
111.28 from the area in which the program is provided. A majority of the council must be parents
111.29 participating in the program, who represent the demographics of the community. The
111.30 district must ensure, to the extent possible, that the council includes representation of
111.31 families who are racially, culturally, linguistically, and economically diverse. The council
111.32 must assist the board in developing, planning, and monitoring the early childhood family

112.1 education program and the early learning program under section 124D.1295. The council
112.2 must report to the board and the community education advisory council.

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

112.4 Sec. 5. Minnesota Statutes 2014, section 124D.135, subdivision 5, is amended to read:

112.5 Subd. 5. **Use of revenue restricted.** (a) Early childhood family education revenue
112.6 may be used only for early learning programs, including early childhood family education
112.7 programs.

112.8 (b) Not more than five percent of early childhood family education revenue, as defined
112.9 in subdivision 7, may be used to administer early childhood family education programs.

112.10 (c) An early childhood family education program may use up to ten percent of its
112.11 early childhood family education revenue as defined in subdivision 1, including revenue
112.12 from participant fees, for equipment that is used in the early childhood family education
112.13 program. This revenue may only be used for the following purposes:

112.14 (1) to purchase or lease computers and related materials; and

112.15 (2) to purchase or lease equipment for instruction for participating children and
112.16 their families.

112.17 If a district anticipates an unusual circumstance requiring its early childhood family
112.18 education program capital expenditures to exceed the ten percent limitation, prior approval
112.19 to exceed the limit must be obtained in writing from the commissioner.

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

112.21 Sec. 6. Minnesota Statutes 2014, section 124D.135, subdivision 7, is amended to read:

112.22 Subd. 7. **Reserve account.** Early childhood family education revenue, which
112.23 includes aids, levies, fees, grants, and all other revenues received by the district for early
112.24 childhood family education programs, must be maintained in either an early learning
112.25 program reserve account or a separate early childhood family education reserve account
112.26 within the community service fund.

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

112.28 Sec. 7. Minnesota Statutes 2014, section 124D.15, subdivision 1, is amended to read:

112.29 Subdivision 1. **Establishment; purpose.** A district, charter school, or a group of
112.30 districts or charter schools may establish a school readiness program for children age
112.31 three to kindergarten entrance. The purpose of a school readiness program is to prepare
112.32 children to enter kindergarten.

113.1 Sec. 8. Minnesota Statutes 2014, section 124D.15, subdivision 3a, is amended to read:

113.2 Subd. 3a. **Application and reporting requirements.** (a) A school readiness
113.3 program provider must submit a biennial plan for approval by the commissioner before
113.4 receiving aid under section 124D.16. The plan must describe how the program meets the
113.5 program requirements under subdivision 3. A school district ~~by April 1~~ or charter school
113.6 must submit the plan for approval by the commissioner in the form and manner and by the
113.7 date prescribed by the commissioner. ~~One-half the districts must first submit the plan by~~
113.8 ~~April 1, 2006, and one-half the districts must first submit the plan by April 1, 2007, as~~
113.9 ~~determined by the commissioner.~~

113.10 (b) Programs receiving school readiness funds annually must submit a report to
113.11 the department.

113.12 Sec. 9. Minnesota Statutes 2015 Supplement, section 124D.16, subdivision 2, is
113.13 amended to read:

113.14 Subd. 2. **Amount of aid.** (a) A district or charter school is eligible to receive school
113.15 readiness aid for eligible prekindergarten pupils enrolled in a school readiness program
113.16 under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a,
113.17 has been approved by the commissioner.

113.18 (b) A school district must receive school readiness aid equal to:

113.19 (1) the number of four-year-old children in the district on October 1 for the previous
113.20 school year times the ratio of 50 percent of the total school readiness aid for that year to
113.21 the total number of four-year-old children reported to the commissioner for the previous
113.22 school year; plus

113.23 (2) the number of pupils enrolled in the school district from families eligible for the
113.24 free or reduced school lunch program for the previous school year times the ratio of
113.25 50 percent of the total school readiness aid for that year to the total number of pupils
113.26 in the state from families eligible for the free or reduced school lunch program for the
113.27 previous school year.

113.28 (c) The total school readiness aid entitlement equals \$23,558,000 for fiscal year 2016
113.29 and \$33,683,000 for fiscal year 2017 and later.

113.30 (d) If the aid entitlement in paragraph (c) is increased above \$33,683,000 for any
113.31 year, the commissioner must calculate the school readiness aid entitlement for charter
113.32 schools equal to the aid entitlement in the current year less \$33,683,000. A charter
113.33 school's school readiness aid equals:

113.34 (1) the number of kindergarten pupils enrolled in the charter school on October 1 for
113.35 the previous school year times the ratio of 50 percent of the total charter school readiness

114.1 aid for that year to the total number of charter school kindergarten pupils reported to the
114.2 commissioner for the previous school year; plus

114.3 (2) the number of pupils enrolled in the charter school from families eligible for the
114.4 free or reduced-price school lunch program for the previous school year times the ratio
114.5 of 50 percent of the total charter school readiness aid for that year to the total number of
114.6 pupils in all charter schools from families eligible for the free or reduced-price school
114.7 lunch program for the previous school year.

114.8 (e) If the aid entitlement under paragraph (c) is increased above \$36,683,000, the
114.9 commissioner must combine the counts for school districts and charter schools under
114.10 paragraphs (b) and (c) and compute aid amounts accordingly.

114.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018
114.12 and later.

114.13 Sec. 10. Minnesota Statutes 2014, section 124D.16, subdivision 3, is amended to read:

114.14 Subd. 3. **Use of aid.** School readiness aid shall be used only to provide a school
114.15 readiness program or an early learning program and may be used to provide transportation.
114.16 Not more than five percent of program revenue, as defined in subdivision 5, may be used
114.17 for the cost of administering the program. Aid must be used to supplement and not supplant
114.18 local, state, and federal funding. Aid may not be used for instruction and services required
114.19 under sections 125A.03 to 125A.24 and 125A.65. Aid may not be used to purchase land
114.20 or construct buildings, but may be used to lease or renovate existing buildings.

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

114.22 Sec. 11. Minnesota Statutes 2014, section 124D.16, subdivision 5, is amended to read:

114.23 Subd. 5. **Reserve account.** School readiness revenue, which includes aids, fees,
114.24 grants, and all other revenues received by the district school readiness programs, must
114.25 be maintained in either an early learning program reserve account or a school readiness
114.26 reserve account within the community service fund.

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

114.28 Sec. 12. Minnesota Statutes 2014, section 124D.165, as amended by Laws 2015, First
114.29 Special Session chapter 3, article 9, section 6, is amended to read:

114.30 **124D.165 EARLY LEARNING SCHOLARSHIPS.**

115.1 Subdivision 1. **Establishment; purpose.** There is established an early learning
115.2 scholarships program in order to increase access to high-quality early childhood programs
115.3 for children ages three to five.

115.4 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
115.5 parents or guardians must meet the following eligibility requirements:

115.6 (1) have a child three or four years of age on September 1 of the current school year,
115.7 who has not yet started kindergarten; and

115.8 (2) have income equal to or less than 185 percent of federal poverty level income
115.9 in the current calendar year, or be able to document their child's current participation in
115.10 the free and reduced-price lunch program or child and adult care food program, National
115.11 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
115.12 Distribution Program on Indian Reservations, Food and Nutrition Act, United States
115.13 Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for
115.14 School Readiness Act of 2007; Minnesota family investment program under chapter 256J;
115.15 child care assistance programs under chapter 119B; the supplemental nutrition assistance
115.16 program; or placement in foster care under section 260C.212.

115.17 (b) Notwithstanding the other provisions of this section, a child from birth to age five
115.18 and not yet enrolled in kindergarten is eligible for an early learning scholarship if the child's
115.19 family meets the income eligibility standard established in paragraph (a), clause (2), and:

115.20 (1) the child's parent is under age 21 who and is pursuing a high school or general
115.21 education equivalency diploma is eligible for an early learning scholarship if the parent
115.22 has a child age zero to five years old and meets the income eligibility guidelines in this
115.23 subdivision;

115.24 (2) the child is in foster care or otherwise a child in need of protection or services; or

115.25 (3) the child's family has experienced homelessness in the last 24 months.

115.26 (c) Any siblings between the ages zero to five years old of a child who has been
115.27 awarded a scholarship under this section must be awarded a scholarship upon request,
115.28 provided the sibling attends the same program as long as funds are available.

115.29 (d) A child who has received a scholarship under this section must continue to
115.30 receive a scholarship each year until that child is eligible for kindergarten under section
115.31 120A.20 and as long as funds are available.

115.32 (e) Early learning scholarships may not be counted as earned income for the
115.33 purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L,
115.34 Minnesota family investment program under chapter 256J, child care assistance programs
115.35 under chapter 119B, or Head Start under the federal Improving Head Start for School
115.36 Readiness Act of 2007.

116.1 (f) A child from an adjoining state whose family resides at a Minnesota address as
 116.2 assigned by the United States Postal Service, who has received developmental screening
 116.3 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
 116.4 and whose family meets the criteria of paragraph (a) is eligible for an early learning
 116.5 scholarship under this section.

116.6 Subd. 3. **Administration.** (a) The commissioner shall establish application
 116.7 timelines and determine the schedule for awarding scholarships that meets operational
 116.8 needs of eligible families and programs. The commissioner may prioritize applications
 116.9 on factors including:

116.10 (1) family income;

116.11 (2) geographic location; ~~and;~~

116.12 (3) whether the child's family is on a waiting list for a publicly funded program
 116.13 providing early education or child care services;

116.14 (4) whether the child is in foster care or otherwise a child in need of protection or
 116.15 services; and

116.16 (5) whether the child's family has experienced homelessness in the last 24 months.

116.17 (b) ~~For fiscal years 2014 and 2015 only, scholarships may not exceed \$5,000 per year~~
 116.18 ~~for each eligible child.~~ For fiscal year 2016 and later, the commissioner shall establish
 116.19 a target for the average scholarship amount per child based on the results of the rate
 116.20 survey conducted under section 119B.02. The commissioner may award a scholarship
 116.21 in excess of this amount to a child who qualifies for priority enrollment under paragraph
 116.22 (a), clause (4) or (5).

116.23 (c) A four-star rated program that has children eligible for a scholarship enrolled
 116.24 in or on a waiting list for a program beginning in July, August, or September may notify
 116.25 the commissioner, in the form and manner prescribed by the commissioner, each year of
 116.26 the program's desire to enhance program services ~~or~~ and to serve more children than
 116.27 current funding provides. The commissioner may designate a predetermined number of
 116.28 scholarship slots for that program and notify the program of that number. Beginning July
 116.29 1, 2016, a school district or Head Start program qualifying under this paragraph, a licensed
 116.30 child care center, or a family child care provider may use its established registration
 116.31 process to enroll scholarship recipients and may verify a scholarship recipient's family
 116.32 income in the same manner as for other program participants. Scholarships awarded under
 116.33 this section must be paid to the eligible program provider designated by the award recipient
 116.34 and must be transferred to another eligible program provider at the recipient's request.

116.35 (d) A scholarship is awarded for a 12-month period. If the scholarship recipient has
 116.36 not been accepted and subsequently enrolled in a rated program within ten months of the

117.1 awarding of the scholarship, the scholarship cancels and the recipient must reapply in
117.2 order to be eligible for another scholarship. A child may not be awarded more than one
117.3 scholarship in a 12-month period.

117.4 (e) A child who receives a scholarship who has not completed development
117.5 screening under sections 121A.16 to 121A.19 must complete that screening within 90
117.6 days of first attending an eligible program.

117.7 (f) For fiscal year ~~2017~~ 2018 and later, ~~a school district or Head Start program~~
117.8 ~~enrolling scholarship recipients under paragraph (e) may apply to the commissioner, in~~
117.9 ~~the form and manner prescribed by the commissioner, for direct payment of state aid.~~
117.10 ~~Upon receipt of the application, the commissioner must pay each program directly for~~
117.11 ~~each approved scholarship recipient enrolled under paragraph (e) according to the metered~~
117.12 ~~payment system or another schedule established by the commissioner. the total amount of~~
117.13 ~~funding directly allocated to a program under paragraph (c) must not exceed the amount~~
117.14 ~~directly awarded to that program in fiscal year 2017.~~

117.15 Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept
117.16 an early learning scholarship, a program must:

117.17 (1) participate in the quality rating and improvement system under section
117.18 124D.142; and

117.19 (2) beginning July 1, ~~2016~~ 2020, have a three- or four-star rating in the quality
117.20 rating and improvement system.

117.21 (b) Any program accepting scholarships must use the revenue to supplement and not
117.22 supplant federal funding.

117.23 (c) Notwithstanding paragraph (a), all Minnesota early learning foundation
117.24 scholarship program pilot sites are eligible to accept an early learning scholarship under
117.25 this section.

117.26 (d) Notwithstanding paragraph (a), beginning September 1, 2016, a qualifying newly
117.27 opened program carries the rating of its affiliated program for its first two years of operation.

117.28 (e) For purposes of this subdivision, "qualifying newly opened program" means
117.29 a program in its first two years of operation actively pursuing a rating whose on-site
117.30 director has experience operating a three- or four-star rated program, and "affiliated
117.31 program" means a program with which the newly opened program shares an ownership or
117.32 management interest or is otherwise structurally linked.

117.33 Subd. 5. **Report required.** The commissioner shall contract with an independent
117.34 contractor to evaluate the early learning scholarship program. The evaluation must
117.35 include recommendations regarding the appropriate scholarship amount, efficiency, and
117.36 effectiveness of the administration, and impact on kindergarten readiness. By January

118.1 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs
 118.2 and ranking minority members of the legislative committees and divisions with primary
 118.3 jurisdiction over kindergarten through grade 12 education.

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

118.5 Sec. 13. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,
 118.6 is amended to read:

118.7 Subd. 7. **Parent-child home program.** For a grant to the parent-child home
 118.8 program:

118.9	\$	350,000	.....	2016
118.10		350,000		
118.11	\$	<u>2,350,000</u>	.....	2017

118.12 The grant must be used for an evidence-based and research-validated early childhood
 118.13 literacy and school readiness program for children ages 16 months to four years at its
 118.14 existing suburban program location. The program must include urban and rural program
 118.15 locations for fiscal years 2016 and 2017.

118.16 The base appropriation for this program for fiscal year 2018 and later is \$350,000.
 118.17 The 2017 appropriation is available until June 30, 2019.

118.18 To the extent practicable, the parent-child home program is encouraged to expend
 118.19 the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

118.20 Sec. 14. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 9,
 118.21 is amended to read:

118.22 Subd. 9. **Quality Rating System.** For transfer to the commissioner of human
 118.23 services for the purposes of expanding the Quality Rating and Improvement System under
 118.24 Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for
 118.25 providers participating in the Quality Rating and Improvement System:

118.26	\$	1,200,000	.....	2016
118.27		2,300,000		
118.28	\$	<u>4,300,000</u>	.....	2017

118.29 To the extent possible, the commissioner must direct at least \$2,000,000 of the 2017
 118.30 appropriation toward increasing access and providing training assistance to providers who
 118.31 are located in underserved or low-income neighborhoods.

118.32 Any balance in the first year does not cancel but is available in the second year. The
 118.33 base for this program in fiscal year 2018 and later is \$1,750,000.

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

119.1 Sec. 15. **REPORT ON EARLY CHILDHOOD PROGRAM PROVIDERS.**

119.2 The Department of Education, in coordination with the Department of Human
 119.3 Services, must provide a report to the legislature by February 15, 2017, summarizing
 119.4 available data collected on the demographics of early childhood providers and other early
 119.5 childhood program staff, administrators, and board members.

119.6 Sec. 16. **APPROPRIATION.**

119.7 Subdivision 1. **Department of Education.** The sums indicated in this section are
 119.8 appropriated from the general fund to the commissioner of education for the fiscal year
 119.9 designated.

119.10 Subd. 2. **St. Cloud preschool pilot program.** For a grant to Independent School
 119.11 District No. 742, St. Cloud, to establish a preschool pilot program targeting low-income
 119.12 students and English language learners.

119.13 § 430,000 2017

119.14 Funds appropriated in this section are to be used to create morning and afternoon
 119.15 preschool sections, serving at least 90 students from families with low income or
 119.16 from families where English is not the primary language spoken in the child's home
 119.17 environment. The funds appropriated under this section may be used to purchase
 119.18 developmentally appropriate furniture and materials, instructional materials, and
 119.19 curriculum materials; hire and train teachers and staff; and offset transportation costs.

119.20 Independent School District No. 742, St. Cloud, must submit an annual report by
 119.21 January 15 of 2017, 2018, and 2019, describing the activities undertaken and outcomes
 119.22 achieved with this grant. The 2019 report must contain recommendations for other
 119.23 districts interested in similar prekindergarten programs.

119.24 This is a onetime appropriation. The fiscal year 2017 appropriation is available
 119.25 until June 30, 2019.

119.26 **ARTICLE 7**

119.27 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

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

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

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

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

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

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

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

120.21 Subd. 2. **Program approval.** (a) To receive aid under this section, a district, a
 120.22 ~~consortium of districts~~, the Department of Corrections, ~~or~~ a private nonprofit organization,
 120.23 or a consortium including districts, nonprofit organizations, or both must submit an
 120.24 application by June 1 describing the program, on a form provided by the department. The
 120.25 program must be approved by the commissioner according to the following criteria:

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

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

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

120.30 (4) coordination with other resources and services;

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

120.32 (6) management and program design;

120.33 (7) volunteer training and use of volunteers;

120.34 (8) staff development services;

120.35 (9) program sites and schedules;

- 121.1 (10) program expenditures that qualify for aid;
- 121.2 (11) program ability to provide data related to learner outcomes as required by
121.3 law; and
- 121.4 (12) a copy of the memorandum of understanding described in subdivision 1
121.5 submitted to the commissioner.
- 121.6 (b) Adult basic education programs may be approved under this subdivision for
121.7 up to five years. Five-year program approval must be granted to an applicant who has
121.8 demonstrated the capacity to:
- 121.9 (1) offer comprehensive learning opportunities and support service choices
121.10 appropriate for and accessible to adults at all basic skill and English language levels of need;
- 121.11 (2) provide a participatory and experiential learning approach based on the strengths,
121.12 interests, and needs of each adult, that enables adults with basic skill needs to:
- 121.13 (i) identify, plan for, and evaluate their own progress toward achieving their defined
121.14 educational and occupational goals;
- 121.15 (ii) master the basic academic reading, writing, and computational skills, as well
121.16 as the problem-solving, decision making, interpersonal effectiveness, and other life and
121.17 learning skills they need to function effectively in a changing society;
- 121.18 (iii) locate and be able to use the health, governmental, and social services and
121.19 resources they need to improve their own and their families' lives; and
- 121.20 (iv) continue their education, if they desire, to at least the level of secondary school
121.21 completion, with the ability to secure and benefit from continuing education that will
121.22 enable them to become more employable, productive, and responsible citizens;
- 121.23 (3) plan, coordinate, and develop cooperative agreements with community resources
121.24 to address the needs that the adults have for support services, such as transportation, English
121.25 language learning, flexible course scheduling, convenient class locations, and child care;
- 121.26 (4) collaborate with business, industry, labor unions, and employment-training
121.27 agencies, as well as with family and occupational education providers, to arrange for
121.28 resources and services through which adults can attain economic self-sufficiency;
- 121.29 (5) provide sensitive and well trained adult education personnel who participate in
121.30 local, regional, and statewide adult basic education staff development events to master
121.31 effective adult learning and teaching techniques;
- 121.32 (6) participate in regional adult basic education peer program reviews and evaluations;
- 121.33 (7) submit accurate and timely performance and fiscal reports;
- 121.34 (8) submit accurate and timely reports related to program outcomes and learner
121.35 follow-up information; and

122.1 (9) spend adult basic education aid on adult basic education purposes only, which
 122.2 are specified in sections 124D.518 to 124D.531.

122.3 (c) The commissioner shall require each district to provide notification by February
 122.4 1, 2001, of its intent to apply for funds under this section as a single district or as part of
 122.5 an identified consortium of districts. A district receiving funds under this section must
 122.6 notify the commissioner by February 1 of its intent to change its application status for
 122.7 applications due the following June 1.

122.8 Sec. 3. Minnesota Statutes 2014, section 124D.55, is amended to read:

122.9 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

122.10 The commissioner shall pay 60 percent of the fee that is charged to an eligible
 122.11 individual for the full battery of a general education development (GED) test tests, but not
 122.12 more than \$40 for an eligible individual.

122.13 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged
 122.14 to an eligible individual for the full battery of general education development (GED) tests,
 122.15 but not more than the cost of one full battery of tests per year for any individual.

122.16 Sec. 4. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 3,
 122.17 is amended to read:

122.18 Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under
 122.19 Minnesota Statutes, section 124D.55:

122.20	\$	125,000	.....	2016
122.21		125,000		
122.22	\$	<u>245,000</u>	.....	2017

122.23 The base appropriation for fiscal year 2018 and later is \$125,000.

122.24 Sec. 5. **APPROPRIATIONS.**

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

122.28 Subd. 2. **Adult basic education.** For a grant for additional adult basic aid:

122.29	\$	<u>400,000</u>	<u>2017</u>
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122.30 The International Education Center, the American Indian Opportunities
 122.31 Industrialization Center, and the Minnesota Office of Communication Service for the Deaf
 122.32 are eligible for additional adult basic education aid for innovative programs for fiscal year

123.1 2017 only. The onetime aid for each organization equals \$400,000 times the ratio of the
123.2 organization's number of students served for the previous fiscal year to the sum of the
123.3 three organizations' number of students served for the previous fiscal year.

123.4 This is a onetime appropriation.

123.5 **ARTICLE 8**

123.6 **STATE AGENCIES**

123.7 Section 1. Minnesota Statutes 2014, section 122A.14, subdivision 9, is amended to read:

123.8 Subd. 9. **Fee.** Each person licensed by the Board of School Administrators shall pay
123.9 the board a fee of \$75, collected each fiscal year. When transmitting notice of the license
123.10 fee, the board also must notify the licensee of the penalty for failing to pay the fee within
123.11 the time specified by the board. The board may provide a lower fee for persons on retired
123.12 or inactive status. After receiving notice from the board, any licensed school administrator
123.13 who does not pay the fee in the given fiscal year shall have all administrative licenses held
123.14 by the person automatically suspended, without the right to a hearing, until the fee has been
123.15 paid to the board. If the board suspends a licensed school administrator for failing to pay
123.16 the fee, it must immediately notify the district currently employing the school administrator
123.17 of the school administrator's suspension. The executive secretary shall deposit the fees in
123.18 the educator licensure account in the special revenue fund in the state treasury.

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

123.20 Sec. 2. Minnesota Statutes 2014, section 122A.18, subdivision 7c, is amended to read:

123.21 Subd. 7c. **Temporary military license.** The Board of Teaching shall establish
123.22 a temporary license in accordance with section 197.4552 for teaching. The fee for a
123.23 temporary license under this subdivision shall be \$87.90 for an online application or
123.24 \$86.40 for a paper application. The board must deposit the fees received from applicants
123.25 in the educator licensure account in the special revenue fund.

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

123.27 Sec. 3. Minnesota Statutes 2014, section 122A.18, subdivision 8, is amended to read:

123.28 Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner
123.29 of education must request a criminal history background check from the superintendent
123.30 of the Bureau of Criminal Apprehension on all applicants for initial licenses under their
123.31 jurisdiction. An application for a license under this section must be accompanied by:

123.32 (1) an executed criminal history consent form, including fingerprints; and

124.1 (2) ~~a money order or cashier's check payable to the Bureau of Criminal Apprehension~~
124.2 ~~for the fee for conducting payment to conduct the criminal history background check. The~~
124.3 Board of Teaching and the commissioner of education must deposit payments received
124.4 under this subdivision in the educator licensure background check account in the special
124.5 revenue fund.

124.6 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the
124.7 background check required under paragraph (a) by retrieving criminal history data as
124.8 defined in section 13.87 and shall also conduct a search of the national criminal records
124.9 repository. The superintendent is authorized to exchange fingerprints with the Federal
124.10 Bureau of Investigation for purposes of the criminal history check. The superintendent
124.11 shall recover the cost to the bureau of a background check through the fee charged to
124.12 the applicant under paragraph (a).

124.13 (c) The Board of Teaching or the commissioner of education may issue a license
124.14 pending completion of a background check under this subdivision, but must notify
124.15 the individual that the individual's license may be revoked based on the result of the
124.16 background check.

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

124.18 Sec. 4. **[122A.185] SPECIAL REVENUE FUND ACCOUNTS; EDUCATOR**
124.19 **LICENSURE AND BACKGROUND CHECKS.**

124.20 **Subdivision 1. Educator licensure account.** An educator licensure account is
124.21 created in the special revenue fund. Applicant licensure fees received by the Department
124.22 of Education, the Board of Teaching, or the Board of School Administrators must be
124.23 deposited in the educator licensure account. Any funds appropriated from this account
124.24 that remain unexpended at the end of the biennium cancel to the educator licensure
124.25 account in the special revenue fund.

124.26 **Subd. 2. Background check account.** An educator licensure background check
124.27 account is created in the special revenue fund. The Department of Education, the Board of
124.28 Teaching, and the Board of School Administrators must deposit all payments submitted by
124.29 license applicants for criminal background checks conducted by the Bureau of Criminal
124.30 Apprehension in the educator licensure background check account. Amounts in the
124.31 account are annually appropriated to the commissioner of education for payment to the
124.32 superintendent of the Bureau of Criminal Apprehension for the costs of background
124.33 checks on applicants for licensure.

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

125.1 Sec. 5. Minnesota Statutes 2014, section 122A.21, subdivision 1, is amended to read:

125.2 Subdivision 1. **Licensure applications.** Each applicant submitting an application
125.3 ~~for the issuance, renewal, or extension of~~ to the Board of Teaching to issue, renew, or
125.4 extend a teaching license to teach, including applications for licensure via portfolio under
125.5 subdivision 2, ~~must be accompanied by~~ include a processing fee of \$57. ~~Each application~~
125.6 ~~for issuing, renewing, or extending the license of a school administrator or supervisor~~
125.7 ~~must be accompanied by a processing fee in the amount set by the Board of Teaching.~~ The
125.8 processing fee for a teacher's license and for the licenses of supervisory personnel must
125.9 be paid to the executive secretary of the appropriate board and deposited in the educator
125.10 licensure account in the special revenue fund. ~~The executive secretary of the board shall~~
125.11 ~~deposit the fees with the commissioner of management and budget.~~ The fees as set by the
125.12 board are nonrefundable for applicants not qualifying for a license. However, ~~a fee must~~
125.13 ~~be refunded by~~ the commissioner of management and budget must refund a fee in any
125.14 case in which the applicant already holds a valid unexpired license. The board may waive
125.15 or reduce fees for applicants who apply at the same time for more than one license.

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

125.17 Sec. 6. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2, is
125.18 amended to read:

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

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

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

125.27 (d) The Board of Teaching must notify a candidate who submits a portfolio under
125.28 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not
125.29 the portfolio was approved. If the portfolio was not approved, the board must immediately
125.30 inform the candidate how to revise the portfolio to successfully demonstrate the requisite
125.31 competence. The candidate may resubmit a revised portfolio at any time and the Educator
125.32 Licensing Division at the department must approve or disapprove the portfolio within
125.33 60 calendar days of receiving it.

125.34 (e) A candidate must pay to the executive secretary of the Board of Teaching a \$300
125.35 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted

126.1 subsequently. The candidate must pay the fees ~~must be paid~~ to the executive secretary
126.2 of the Board of Teaching. ~~The revenue generated from~~ Board of Teaching executive
126.3 secretary must deposit the fee ~~must be deposited in an education~~ the educator licensure
126.4 ~~portfolio~~ account in the special revenue fund. The fees set by the Board of Teaching are
126.5 nonrefundable for applicants not qualifying for a license. The Board of Teaching may
126.6 waive or reduce fees for candidates based on financial need.

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

126.8 Sec. 7. Minnesota Statutes 2014, section 122A.21, is amended by adding a subdivision
126.9 to read:

126.10 **Subd. 3. Annual appropriations.** The amounts collected under subdivision 2
126.11 and deposited in the educator licensure account in the special revenue fund are annually
126.12 appropriated to the Board of Teaching.

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

126.14 Sec. 8. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 3, is
126.15 amended to read:

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

126.29 (b) The commissioner shall approve applications that comply with subdivision 1,
126.30 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter
126.31 school or cooperative, in the order in which they are received, select applicants that
126.32 qualify for this program, notify school districts, intermediate school districts, cooperatives,

127.1 school sites, and charter schools about the program, develop and disseminate application
127.2 materials, and carry out other activities needed to implement this section.

127.3 (c) A school district, intermediate school district, cooperative, school site, or charter
127.4 school with an approved application and a written notice from the commissioner that the
127.5 district qualifies for its first year of alternative compensation revenue must receive revenue
127.6 for that year according to section 127A.41, subdivision 2.

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

127.9 Sec. 9. Minnesota Statutes 2014, section 127A.41, subdivision 2, is amended to read:

127.10 Subd. 2. **Errors in distribution.** (a) On determining that the amount of state aid
127.11 distributed to a school district is in error, the commissioner is authorized to adjust the
127.12 amount of aid consistent with this subdivision. On determining that the amount of aid is
127.13 in excess of the school district's entitlement, the commissioner is authorized to recover
127.14 the amount of the excess by any appropriate means. Notwithstanding the fiscal years
127.15 designated by the appropriation, the excess may be recovered by reducing future aid
127.16 payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not
127.17 of the same type as that overpaid, the district must adjust all necessary financial accounts
127.18 to properly reflect all revenues earned in accordance with the uniform financial accounting
127.19 and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the
127.20 fiscal years designated by the appropriation, on determining that the amount of an aid paid
127.21 is less than the school district's entitlement, the commissioner is authorized to increase
127.22 such aid from the current appropriation. If the aid program has been discontinued and has
127.23 no appropriation, the appropriation for general education shall be used for recovery or
127.24 payment of the aid decrease or increase. Any excess of aid recovery over aid payment
127.25 shall be canceled to the state general fund.

127.26 (b) If the commissioner determines that an error in aid payments to a school under
127.27 section 122A.415, subdivision 3, paragraph (c), cannot be corrected under this section,
127.28 the commissioner must transfer the necessary funds and make those payments from the
127.29 Department of Education's annual operating budget.

127.30 **EFFECTIVE DATE.** This section is effective the day following final enactment for
127.31 aid adjustments for fiscal year 2016 and later.

127.32 Sec. 10. Laws 2015, First Special Session chapter 3, article 12, section 4, is amended
127.33 to read:

128.1 Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

128.2 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
 128.3 indicated in this section are appropriated from the general fund to the Department of
 128.4 Education for the fiscal years designated.

128.5 Subd. 2. **Department.** (a) For the Department of Education:

128.6	\$	21,246,000	.....	2016
128.7		21,973,000		
128.8	\$	<u>20,089,000</u>	.....	2017

128.9 (b) The fiscal year 2017 appropriation includes \$19,173,000 from the general fund
 128.10 and \$916,000 is from the educator licensure account in the special revenue fund.

128.11 Of these amounts:

128.12 (1) \$718,000 ~~each~~ in fiscal year 2016 is for the Board of Teaching;

128.13 (2) \$228,000 in fiscal year 2016 ~~and \$231,000 in fiscal year 2017 are~~ is for the
 128.14 Board of School Administrators;

128.15 (3) \$1,000,000 ~~each~~ in fiscal year 2016 only is for Regional Centers of Excellence
 128.16 under Minnesota Statutes, section 120B.115;

128.17 (4) \$500,000 each year is for the School Safety Technical Assistance Center under
 128.18 Minnesota Statutes, section 127A.052;

128.19 (5) \$250,000 each year is for the School Finance Division to enhance financial
 128.20 data analysis; and

128.21 (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing
 128.22 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency
 128.23 and Success Act, as amended.

128.24 ~~(b)~~

128.25 ~~(c)~~ (c) Any balance in the first year does not cancel but is available in the second year.

128.26 ~~(e)~~ (d) None of the amounts appropriated under this subdivision may be used for
 128.27 Minnesota's Washington, D.C. office.

128.28 ~~(d)~~ (e) The expenditures of federal grants and aids as shown in the biennial budget
 128.29 document and its supplements are approved and appropriated and shall be spent as
 128.30 indicated.

128.31 ~~(e)~~ (f) This appropriation includes funds for information technology project services
 128.32 and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any
 128.33 ongoing information technology costs will be incorporated into the service level agreement
 128.34 and will be paid to the Office of MN.IT Services by the Department of Education under
 128.35 the rates and mechanism specified in that agreement.

129.1 ~~(f)~~ (g) If a school qualifying for aid under Minnesota Statutes, section 122A.415,
129.2 subdivision 3, paragraph (c), does not receive aid under that section or Minnesota Statutes,
129.3 section 127A.41, subdivision 2, paragraph (b), the commissioner must transfer the
129.4 amounts necessary to make these payments from the agency appropriation in paragraph
129.5 (a) to the appropriation for alternative compensation revenue.

129.6 (h) \$65,000 in fiscal year 2017 is for agency compliance.

129.7 (i) The agency's base budget in fiscal year 2018 is ~~\$21,973,000~~ \$20,024,000. The
129.8 agency's base budget in fiscal year 2019 is ~~\$21,948,000~~ \$19,999,000.

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

129.10 Sec. 11. **TRANSFERS.**

129.11 Subdivision 1. **Portfolio account.** On July 1, 2016, the commissioner of management
129.12 and budget shall transfer any balances in the educator licensure portfolio account in the
129.13 special revenue fund to the educator licensure account in the special revenue fund.

129.14 Subd. 2. **Background check.** Any balance in an account that holds fees collected
129.15 under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the educator
129.16 licensure background check account in the special revenue fund under Minnesota Statutes,
129.17 section 122A.185, subdivision 2. On July 2, 2016, \$80,000 is transferred from the
129.18 education licensure background check account in the special revenue fund to the educator
129.19 licensure account in the special revenue fund.

129.20 Sec. 12. **APPROPRIATION; BOARD OF TEACHING.**

129.21 \$718,000 in fiscal year 2017 is appropriated from the educator licensure account in
129.22 the special revenue fund to the Board of Teaching.

129.23 Sec. 13. **APPROPRIATION; BOARD OF SCHOOL ADMINISTRATORS.**

129.24 \$231,000 in fiscal year 2017 is appropriated from the educator licensure account in
129.25 the special revenue fund to the Board of School Administrators.

129.26 **ARTICLE 9**

129.27 **FORECAST ADJUSTMENTS**

129.28 Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
129.29 4, is amended to read:

129.30 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
129.31 127A.49:

130.1 ~~2,740,000~~
 130.2 \$ 3,051,000 2016
 130.3 ~~2,932,000~~
 130.4 \$ 3,425,000 2017

130.5 The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000
 130.6 for 2016.

130.7 The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~
 130.8 \$3,117,000 for 2017.

130.9 Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5,
 130.10 is amended to read:

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

130.13 ~~292,000~~
 130.14 \$ 22,000 2016
 130.15 ~~165,000~~
 130.16 \$ 0 2017

130.17 The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

130.18 The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

130.19 Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6,
 130.20 is amended to read:

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

130.23 ~~16,881,000~~
 130.24 \$ 16,759,000 2016
 130.25 ~~17,460,000~~
 130.26 \$ 17,235,000 2017

130.27 The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000
 130.28 for 2016.

130.29 The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~
 130.30 \$15,548,000 for 2017.

130.31 Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,
 130.32 is amended to read:

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

131.1 ~~17,654,000~~
 131.2 \$ 17,673,000 2016
 131.3 ~~17,792,000~~
 131.4 \$ 18,103,000 2017

131.5 The 2016 appropriation includes \$1,816,000 for 2015 and ~~\$15,838,000~~ \$15,857,000
 131.6 for 2016.

131.7 The 2017 appropriation includes ~~\$1,759,000~~ \$1,761,000 for 2016 and ~~\$16,033,000~~
 131.8 \$16,342,000 for 2017.

131.9 Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9,
 131.10 is amended to read:

131.11 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota
 131.12 Statutes, section 124D.4531, subdivision 1b:

131.13 ~~5,420,000~~
 131.14 \$ 5,922,000 2016
 131.15 ~~4,405,000~~
 131.16 \$ 4,262,000 2017

131.17 The 2016 appropriation includes \$574,000 for 2015 and ~~\$4,846,000~~ \$5,348,000
 131.18 for 2016.

131.19 The 2017 appropriation includes ~~\$538,000~~ \$517,000 for 2016 and ~~\$3,867,000~~
 131.20 \$3,745,000 for 2017.

131.21 Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 3,
 131.22 is amended to read:

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

131.25 ~~65,539,000~~
 131.26 \$ 65,439,000 2016
 131.27 ~~68,745,000~~
 131.28 \$ 69,255,000 2017

131.29 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000
 131.30 for 2016.

131.31 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~
 131.32 \$62,694,000 for 2017.

131.33 Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4,
 131.34 is amended to read:

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

132.3 ~~44,552,000~~
 132.4 \$ 44,538,000 2016
 132.5 ~~45,508,000~~
 132.6 \$ 45,855,000 2017

132.7 The 2016 appropriation includes \$4,683,000 for 2015 and ~~\$39,869,000~~ \$39,855,000
 132.8 for 2016.

132.9 The 2017 appropriation includes ~~\$4,429,000~~ \$4,428,000 for 2016 and ~~\$41,079,000~~
 132.10 \$41,427,000 for 2017.

132.11 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5,
 132.12 is amended to read:

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

132.16 ~~15,023,000~~
 132.17 \$ 14,423,000 2016
 132.18 ~~15,825,000~~
 132.19 \$ 15,193,000 2017

132.20 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,
 132.21 is amended to read:

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

132.24 ~~4,340,000~~
 132.25 \$ 3,539,000 2016
 132.26 ~~5,090,000~~
 132.27 \$ 3,715,000 2017

132.28 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000
 132.29 for 2016.

132.30 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~
 132.31 \$3,345,000 for 2017.

132.32 Sec. 10. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 132.33 11, is amended to read:

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

133.1 ~~7,868,000~~
 133.2 \$ 7,740,000 2016
 133.3 ~~8,875,000~~
 133.4 \$ 8,878,000 2017

133.5 The 2016 appropriation includes \$0 for 2015 and ~~\$7,868,000~~ \$7,740,000 for 2016.

133.6 The 2017 appropriation includes ~~\$874,000~~ \$860,000 for 2016 and ~~\$8,001,000~~
 133.7 \$8,018,000 for 2017.

133.8 Sec. 11. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,
 133.9 is amended to read:

133.10 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
 133.11 Statutes, section ~~124D.11~~, subdivision ~~4~~ 124E.22:

133.12 ~~66,787,000~~
 133.13 \$ 63,540,000 2016
 133.14 ~~73,603,000~~
 133.15 \$ 69,962,000 2017

133.16 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000
 133.17 for 2016.

133.18 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~
 133.19 \$63,573,000 for 2017.

133.20 Sec. 12. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 133.21 3, is amended to read:

133.22 Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based
 133.23 services under Minnesota Statutes, section 125A.75, subdivision 1:

133.24 ~~361,000~~
 133.25 \$ 416,000 2016
 133.26 ~~371,000~~
 133.27 \$ 435,000 2017

133.28 The 2016 appropriation includes \$35,000 for 2015 and ~~\$326,000~~ \$381,000 for 2016.

133.29 The 2017 appropriation includes ~~\$36,000~~ \$42,000 for 2016 and ~~\$335,000~~ \$393,000
 133.30 for 2017.

133.31 Sec. 13. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
 133.32 5, is amended to read:

133.33 Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes,
 133.34 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
 133.35 within the district boundaries for whom no district of residence can be determined:

134.1 ~~1,406,000~~
 134.2 \$ 1,307,000 2016
 134.3 ~~1,629,000~~
 134.4 \$ 1,516,000 2017

134.5 If the appropriation for either year is insufficient, the appropriation for the other
 134.6 year is available.

134.7 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 134.8 2, is amended to read:

134.9 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance
 134.10 equalization aid under Minnesota Statutes, section 123B.595:

134.11 \$ 0 2016
 134.12 ~~52,088,000~~
 134.13 \$ 52,553,000 2017

134.14 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,553,000 for 2017.

134.15 Sec. 15. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 134.16 3, is amended to read:

134.17 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
 134.18 Statutes, section 123B.53, subdivision 6:

134.19 \$ 20,349,000 2016
 134.20 ~~22,171,000~~
 134.21 \$ 22,926,000 2017

134.22 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

134.23 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000
 134.24 for 2017.

134.25 Sec. 16. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 134.26 6, is amended to read:

134.27 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
 134.28 Minnesota Statutes, section 123B.591, subdivision 4:

134.29 ~~3,520,000~~
 134.30 \$ 3,523,000 2016
 134.31 \$ 345,000 2017

134.32 The 2016 appropriation includes \$409,000 for 2015 and ~~\$3,111,000~~ \$3,114,000
 134.33 for 2016.

134.34 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

135.1 Sec. 17. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 135.2 7, is amended to read:

135.3 Subd. 7. **Health and safety revenue.** For health and safety aid according to
 135.4 Minnesota Statutes, section 123B.57, subdivision 5:

135.5		501,000		
135.6	\$	<u>588,000</u>	.....	2016
135.7		48,000		
135.8	\$	<u>57,000</u>	.....	2017

135.9 The 2016 appropriation includes \$66,000 for 2015 and ~~\$435,000~~ \$522,000 for 2016.

135.10 The 2017 appropriation includes ~~\$48,000~~ \$57,000 for 2016 and \$0 for 2017.

135.11 Sec. 18. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
 135.12 is amended to read:

135.13 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
 135.14 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

135.15		15,661,000		
135.16	\$	<u>16,251,000</u>	.....	2016
135.17		15,818,000		
135.18	\$	<u>16,739,000</u>	.....	2017

135.19 Sec. 19. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
 135.20 is amended to read:

135.21 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
 135.22 Statutes, section 124D.1158:

135.23		9,731,000		
135.24	\$	<u>9,457,000</u>	.....	2016
135.25		10,361,000		
135.26	\$	<u>10,149,000</u>	.....	2017

135.27 Sec. 20. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4,
 135.28 is amended to read:

135.29 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
 135.30 section 124D.118:

135.31		942,000		
135.32	\$	<u>788,000</u>	.....	2016
135.33		942,000		
135.34	\$	<u>788,000</u>	.....	2017

136.1 Sec. 21. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 5,
 136.2 is amended to read:

136.3 Subd. 5. **Early childhood family education aid.** For early childhood family
 136.4 education aid under Minnesota Statutes, section 124D.135:

136.5		28,444,000	
136.6	\$	<u>27,948,000</u>	..... 2016
136.7		29,939,000	
136.8	\$	<u>29,336,000</u>	..... 2017

136.9 The 2016 appropriation includes \$2,713,000 for 2015 and ~~\$25,731,000~~ \$25,235,000
 136.10 for 2016.

136.11 The 2017 appropriation includes ~~\$2,858,000~~ \$2,803,000 for 2016 and ~~\$27,081,000~~
 136.12 \$26,533,000 for 2017.

136.13 Sec. 22. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6,
 136.14 is amended to read:

136.15 Subd. 6. **Developmental screening aid.** For developmental screening aid under
 136.16 Minnesota Statutes, sections 121A.17 and 121A.19:

136.17		3,363,000	
136.18	\$	<u>3,477,000</u>	..... 2016
136.19		3,369,000	
136.20	\$	<u>3,488,000</u>	..... 2017

136.21 The 2016 appropriation includes \$338,000 for 2015 and ~~\$3,025,000~~ \$3,139,000
 136.22 for 2016.

136.23 The 2017 appropriation includes ~~\$336,000~~ \$348,000 for 2016 and ~~\$3,033,000~~
 136.24 \$3,140,000 for 2017.

136.25 Sec. 23. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
 136.26 2, is amended to read:

136.27 Subd. 2. **Community education aid.** For community education aid under
 136.28 Minnesota Statutes, section 124D.20:

136.29		788,000	
136.30	\$	<u>790,000</u>	..... 2016
136.31		554,000	
136.32	\$	<u>553,000</u>	..... 2017

136.33 The 2016 appropriation includes \$107,000 for 2015 and ~~\$681,000~~ \$683,000 for 2016.

136.34 The 2017 appropriation includes \$75,000 for 2016 and ~~\$479,000~~ \$478,000 for 2017.

137.1 Sec. 24. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision
137.2 2, is amended to read:

137.3 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
137.4 Statutes, section 124D.531:

137.5		49,118,000		
137.6	\$	<u>48,231,000</u>	.....	2016
137.7		50,592,000		
137.8	\$	<u>49,683,000</u>	.....	2017

137.9 The 2016 appropriation includes \$4,782,000 for 2015 and ~~\$44,336,000~~ \$43,449,000
137.10 for 2016.

137.11 The 2017 appropriation includes ~~\$4,926,000~~ \$4,827,000 for 2016 and ~~\$45,666,000~~
137.12 \$44,856,000 for 2017.

APPENDIX
Article locations in H3858-1

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ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 12.1
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ARTICLE 5	FACILITIES AND TECHNOLOGY	Page.Ln 99.29
ARTICLE 6	EARLY CHILDHOOD EDUCATION	Page.Ln 110.23
ARTICLE 7	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 119.26
ARTICLE 8	STATE AGENCIES	Page.Ln 123.5
ARTICLE 9	FORECAST ADJUSTMENTS	Page.Ln 129.26

120B.299 DEFINITIONS.

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

122A.40 EMPLOYMENT; CONTRACTS; TERMINATION.

Subd. 11. **Unrequested leave of absence.** The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;

(c) Notwithstanding the provisions of paragraph (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this paragraph do not apply to vocational education licenses;

(d) Notwithstanding paragraphs (a), (b), and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of paragraph (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;

(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable;

(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;

(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;

(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;

(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence;

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(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

122A.41 TEACHER TENURE ACT; CITIES OF THE FIRST CLASS; DEFINITIONS.

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.**

(a) A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

(c) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

122A.413 EDUCATIONAL IMPROVEMENT PLAN.

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

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

(1) assessment and evaluation tools to measure student performance and progress, including the academic literacy, oral academic language, and achievement of English learners, among other measures;

(2) performance goals and benchmarks for improvement;

(3) measures of student attendance and completion rates;

(4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice applicable to all students including English learners with varied needs under section 124D.59, subdivisions 2 and 2a, and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;

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

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

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

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

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

122A.74 PRINCIPALS' LEADERSHIP INSTITUTE.

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

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

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

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

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

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

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

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

Subd. 2. **Method of selection and requirements.** (a) The board of each school district in the state may select a principal, upon the recommendation of the district's superintendent and based on the principal's leadership potential, to attend the institute.

(b) The school board annually shall forward its list of recommended participants to the commissioner by February 1. In addition, a principal may submit an application directly to the commissioner by February 1. The commissioner shall notify the school board, the principal candidates, and the University of Minnesota of the principals selected to participate in the Principals' Leadership Institute each year.

123B.60 BUILDING BONDS FOR CALAMITIES.

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

123B.79 PERMANENT FUND TRANSFERS.

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

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

3535.0110 DEFINITIONS.

Subp. 6. **Racially identifiable school within a district.** "Racially identifiable school within a district" means a school where the enrollment of protected students at the school within a district is more than 20 percentage points above the enrollment of protected students in the entire district for the grade levels served by that school.

3535.0110 DEFINITIONS.

Subp. 7. **Racially isolated school district.** "Racially isolated school district" means a district where the districtwide enrollment of protected students exceeds the enrollment of protected students of any adjoining district by more than 20 percentage points.

3535.0110 DEFINITIONS.

Subp. 8. **School.** "School" means a site in a public school district serving any of kindergarten through grade 12. For purposes of parts 3535.0160 to 3535.0180 only, school does not mean:

- A. charter schools under Minnesota Statutes, chapter 124E;
- B. area learning centers under Minnesota Statutes, section 123A.05;
- C. public alternative programs under Minnesota Statutes, section 126C.05, subdivision 15;
- D. contracted alternative programs under Minnesota Statutes, section 124D.69;
- E. school sites specifically designed to address limited English proficiency;
- F. school sites specifically designed to address the needs of students with an individualized education program (IEP); and
- G. secure and nonsecure treatment facilities licensed by the Department of Human Services or the Department of Corrections.