

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 3259

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DATE	D-PG	OFFICIAL STATUS
03/29/2016	5314	Introduction and first reading Referred to Finance

1.1

A bill for an act

1.2

relating to education finance; modifying the uses of compensatory revenue;

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granting school boards additional flexibility to allocate compensatory revenue;

1.4

amending Minnesota Statutes 2014, section 126C.15, subdivision 3; Minnesota

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Statutes 2015 Supplement, section 126C.15, subdivisions 1, 2.

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

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Section 1. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 1, is

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amended to read:

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Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10,

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subdivision 4, must be reserved and used to meet the educational needs of pupils who

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enroll under-prepared to learn and whose progress toward meeting state or local content

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or performance standards is below the level that is appropriate for learners of their age.

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Basic skills revenue may also be used for programs designed to prepare children and their

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families for entry into school whether the student first enrolls in kindergarten or first grade.

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Any of the following may be provided to meet these learners' needs:

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(1) direct instructional services under the assurance of mastery program according

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to section 124D.66;

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(2) remedial instruction in reading, language arts, mathematics, other content areas,

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or study skills to improve the achievement level of these learners;

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(3) additional teachers and teacher aides to provide more individualized instruction

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to these learners through individual tutoring, lower instructor-to-learner ratios, or team

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teaching;

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(4) a longer school day or week during the regular school year or through a summer

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program that may be offered directly by the site or under a performance-based contract

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with a community-based organization;

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

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

2.9 ~~(5)~~ (7) comprehensive and ongoing staff development consistent with district and
2.10 site plans according to section 122A.60 and to implement plans under section 120B.12,
2.11 subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve
2.12 their ability to identify the needs of these learners and provide appropriate remediation,
2.13 intervention, accommodations, or modifications;

2.14 ~~(6)~~ (8) instructional materials, digital learning, and technology appropriate for
2.15 meeting the individual needs of these learners;

2.16 ~~(7)~~ (9) programs to reduce truancy, encourage completion of high school, enhance
2.17 self-concept, provide health services, provide nutrition services, provide a safe and secure
2.18 learning environment, provide coordination for pupils receiving services from other
2.19 governmental agencies, provide psychological services to determine the level of social,
2.20 emotional, cognitive, and intellectual development, and provide counseling services,
2.21 guidance services, and social work services;

2.22 ~~(8)~~ (10) bilingual programs, bicultural programs, and programs for English learners;

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

2.24 ~~(10)~~ (11) early education programs, parent-training programs, school readiness
2.25 programs, kindergarten programs for four-year-olds, voluntary home visits under section
2.26 124D.13, subdivision 4, and other outreach efforts designed to prepare children for
2.27 kindergarten;

2.28 ~~(11)~~ (12) extended school day and extended school year programs, including
2.29 summer academies; and

2.30 ~~(12)~~ (13) substantial parent involvement in developing and implementing remedial
2.31 education or intervention plans for a learner, including learning contracts between the
2.32 school, the learner, and the parent that establish achievement goals and responsibilities of
2.33 the learner and the learner's parent or guardian.

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

3.1 Sec. 2. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 2, is
3.2 amended to read:

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

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

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

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

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

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

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

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

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