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State of Minnesota
HOUSE OF REPRESENTATIVES
EIGHTY-NINTH SESSION
H. F. No. 3858

04/07/2016 Authored by Loon

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

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 124D.1158,
1.7 subdivisions 3, 4; 124D.55; 126C.05, subdivision 3; 126C.10, subdivision 2d;
1.8 Minnesota Statutes 2015 Supplement, sections 120A.41; 122A.21, subdivision
1.9 2; 122A.415, subdivision 4; 123B.595, subdivision 1; 124D.231, subdivision
1.10 2; 124D.59, subdivision 2; 125A.11, subdivision 1; 125A.21, subdivision 3;
1.11 125A.76, subdivision 2c; 125A.79, subdivision 1; 126C.05, subdivision 1;
1.12 126C.10, subdivision 13a; 127A.47, subdivision 7; Laws 2015, First Special
1.13 Session chapter 3, article 4, section 4; article 11, section 3, subdivision 3; article
1.14 12, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes,
1.15 chapters 124D; 136A.

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

1.17 **ARTICLE 1**

1.18 **GENERAL EDUCATION**

1.19 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

1.20 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

1.21 A school board's annual school calendar must include at least 425 hours of
1.22 instruction for a kindergarten student without a disability, 935 hours of instruction for a
1.23 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
1.24 through 12, not including summer school. The school calendar for all-day kindergarten
1.25 must include at least 850 hours of instruction for the school year. The school calendar for
1.26 a prekindergarten student under section 124D.151, if offered by the district, must include
1.27 at least 350 hours of instruction for the school year. A school board's annual calendar

must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

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

Sec. 2. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the

lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

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

Sec. 3. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

Subd. 3. **Program reimbursement.** Each school year, the state must reimburse each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast served to a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 or a kindergarten student.

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

Sec. 4. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

Subd. 4. **No fees.** A school that receives school breakfast aid under this section must make breakfast available without charge to all participating students in grades 1 to 12 who qualify for free or reduced-price meals and to all prekindergarten students enrolled in an approved voluntary prekindergarten program under section 124D.151 and all kindergarten students.

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

Sec. 5. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

Subdivision 1. **Establishment; purpose.** A district, a charter school, a group of districts, a group of charter schools, or a group of districts and charter schools may

establish a voluntary prekindergarten program for children four years of age on September 1 of the calendar year in which the school year commences. The purpose of a voluntary prekindergarten program is to prepare children for success as they enter kindergarten in the following year.

Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program provider must:

(1) measure each child's cognitive and social skills using a formative measure aligned to the state's early learning standards when the child enters and again before the child leaves the program, screening and progress monitoring measures, and others from the state-approved menu of kindergarten entry profile measures;

(2) provide comprehensive program content including the implementation of curriculum, assessment, and instructional strategies aligned with the state early learning standards, and kindergarten through third grade academic standards;

(3) provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year for a prekindergarten student;

(4) provide voluntary prekindergarten instructional staff salaries comparable to the salaries of local kindergarten through grade 12 instructional staff;

(5) coordinate appropriate kindergarten transition with families, community-based prekindergarten programs, and school district kindergarten programs;

(6) involve parents in program planning and transition planning by implementing parent engagement strategies that include culturally and linguistically responsive activities in prekindergarten through third grade that are aligned with early childhood family education under section 124D.13;

(7) coordinate with relevant community-based services, including health and social service agencies, to ensure children have access to comprehensive services;

(8) coordinate with all relevant school district programs and services including early childhood special education, homeless students, and English learners;

(9) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

(10) provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

(11) implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade three curricula.

5.1 (b) A voluntary prekindergarten program must ensure that all classroom teachers
5.2 have an early childhood license issued by the Board of Teaching, or special permission,
5.3 by the 2022-2023 school year and later.

5.4 (c) Districts and charter schools must include their strategy for implementing and
5.5 measuring the impact of their voluntary prekindergarten program under section 120B.11
5.6 and provide results in their world's best workforce annual summary to the Department
5.7 of Education.

5.8 Subd. 3. **Mixed delivery of services.** A district or charter school may contract
5.9 with a charter school, Head Start or child care centers, family child care programs
5.10 licensed under section 245A.03, or a community-based organization to provide eligible
5.11 children with developmentally appropriate services that meet the program requirements in
5.12 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,
5.13 contracting, and monitoring of fiscal compliance and program quality.

5.14 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the
5.15 calendar year in which the school year commences is eligible to participate in a voluntary
5.16 prekindergarten program free of charge. Each eligible child must complete a health and
5.17 developmental screening within 90 days of program enrollment under sections 121A.16 to
5.18 121A.19, and provide documentation of required immunizations under section 121A.15.

5.19 Subd. 5. **Application process; priority for high poverty schools.** (a) To qualify
5.20 for program approval for fiscal year 2017, a district or charter school must submit an
5.21 application to the commissioner by July 1, 2016. To qualify for program approval for
5.22 fiscal year 2018 and later, a district or charter school must submit an application to the
5.23 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program
5.24 will be implemented. The application must include:

5.25 (1) a description of the proposed program, including the number of hours per week
5.26 the program will be offered at each school site or mixed-delivery location;

5.27 (2) an estimate of the number of eligible children to be served in the program at each
5.28 school site or mixed-delivery location; and

5.29 (3) a statement of assurances signed by the superintendent or charter school director
5.30 that the proposed program meets the requirements of subdivision 2.

5.31 (b) The commissioner must review all applications submitted for fiscal year 2017 by
5.32 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later
5.33 by March 1 of the fiscal year in which the applications are received and determine whether
5.34 each application meets the requirements of paragraph (a).

5.35 (c) The commissioner must divide all applications for new or expanded programs
5.36 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and

6.1 St. Paul school districts; other school districts located in the metropolitan equity region as
6.2 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
6.3 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
6.4 applications must be ordered by rank using a sliding scale based on the following criteria:

6.5 (1) concentration of kindergarten students eligible for free or reduced-price lunches
6.6 by school site on October 1 of the previous school year. For school district programs to be
6.7 operated at locations that do not have free and reduced-price lunch concentration data for
6.8 kindergarten programs for October 1 of the previous school year, including mixed-delivery
6.9 programs, the school district average concentration of kindergarten students eligible for
6.10 free or reduced-price lunches must be used for the rank ordering;

6.11 (2) presence or absence of a three- or four-star Parent Aware rated program within
6.12 the school district or close proximity of the district. School sites with the highest
6.13 concentration of kindergarten students eligible for free or reduced-price lunches that
6.14 do not have a three- or four-star Parent Aware program within the district or close
6.15 proximity of the district shall receive the highest priority, and school sites with the lowest
6.16 concentration of kindergarten students eligible for free or reduced-price lunches that have
6.17 a three- or four-star Parent Aware rated program within the district or close proximity of
6.18 the district shall receive the lowest priority.

6.19 (d) The aid available for the program as specified in subdivision 6, paragraph (b),
6.20 must initially be allocated equally among the four groups based on each group's percentage
6.21 share of the statewide kindergarten enrollment on October 1 of the previous school year.
6.22 Within each group, the available aid must be allocated among school sites in priority order
6.23 until that region's share of the aid limit is reached. If the aid limit is not reached for all
6.24 groups, the remaining amount must be allocated to the highest priority school sites, as
6.25 designated under this section, not funded in the initial allocation on a statewide basis.

6.26 (e) Once a school site is approved for aid under this subdivision, it shall remain
6.27 eligible for aid if it continues to meet program requirements, regardless of changes in the
6.28 concentration of students eligible for free or reduced-price lunches.

6.29 (f) If the total aid entitlement approved based on applications submitted under
6.30 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),
6.31 the commissioner must notify all school districts and charter schools of the amount that
6.32 remains available within 30 days of the initial application deadline under paragraph (a),
6.33 and complete a second round of allocations based on applications received within 60 days
6.34 of the initial application deadline.

(g) procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

Subd. 6. Program and aid entitlement limits. (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year 2017, \$40,866,000 for fiscal year 2018, and \$61,549,000 for fiscal year 2019 and later. If the actual state aid entitlement based on final data exceeds the limit in any year, the aid of the participating districts must be prorated so as not to exceed the limit.

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

Sec. 6. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is amended to read:

Subd. 2. English learner. (a) "English learner" means a pupil in kindergarten through grade 12 or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 who meets the requirements under subdivision 2a or the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by a valid assessment measuring the pupil's English language proficiency and by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in academic classes taught in English.

(b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring

the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten, under section 124D.151, through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners under sections 124D.58 to 124D.64; or

(2) the pupil has generated seven or more years of average daily membership in Minnesota public schools since July 1, 1996.

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

Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under chapter 124E; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individualized education program to 875, but not more than one.

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.

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

Sec. 8. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units for fiscal year 1998 and thereafter must be computed according to this subdivision.

(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch plus one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; to

(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.

(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.

(c) The compensation revenue pupil units for a building equals the product of:

(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times

(2) the compensation revenue pupil weighting factor for the building; times

(3) .60.

(d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs under section 124D.151, charter schools, and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the voluntary prekindergarten program, charter school, or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

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

Sec. 9. Minnesota Statutes 2014, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

(b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil enrolled at the Crosswinds school shall not generate declining enrollment revenue for the district or charter school in which the pupil was last counted in average daily membership.

(c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only, prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be excluded from the calculation of declining enrollment revenue.

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

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

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals ~~\$14,500 for fiscal years 2015 and 2016, \$14,740~~ \$15,734 for fiscal year 2017, ~~\$17,473~~ \$19,483 for fiscal year 2018, and ~~\$20,510~~ \$24,118 for fiscal year 2019 and later.

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

11.3 Sec. 11. **APPROPRIATIONS.**

11.4 **Subdivision 1. Department of Education.** The sums indicated in this section are
 11.5 appropriated from the general fund to the Department of Education for the prekindergarten
 11.6 choice program for fiscal year 2017. These appropriations are in addition to the
 11.7 appropriations for these programs designated under Laws 2015, First Special Session
 11.8 chapter 3, as amended by article 8.

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

11.11	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
11.12	\$	<u>23,250,000</u>	<u>.....</u>	<u>2017</u>

11.13 This appropriation includes \$0 for 2016 and \$23,250,000 for 2017.

11.14 **Subd. 3. Charter school lease aid.** For building lease aid under Minnesota Statutes,
 11.15 section 124E.22:

11.16	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
11.17	\$	<u>171,000</u>	<u>.....</u>	<u>2017</u>

11.18 This appropriation includes \$0 for 2016 and \$171,000 for 2017.

11.19 **Subd. 4. Achievement and integration aid.** For achievement and integration aid
 11.20 under Minnesota Statutes, section 124D.862:

11.21	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
11.22	\$	<u>116,000</u>	<u>.....</u>	<u>2017</u>

11.23 This appropriation includes \$0 for 2016 and \$116,000 for 2017.

11.24 **Subd. 5. Special education aid.** For special education aid under Minnesota
 11.25 Statutes, section 125A.75:

11.26	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
11.27	\$	<u>113,000</u>	<u>.....</u>	<u>2017</u>

11.28 This appropriation includes \$0 for 2016 and \$113,000 for 2017.

11.29 **Subd. 6. Long-term facilities maintenance aid.** For long-term facilities
 11.30 maintenance aid under Minnesota Statutes, section 123B.595:

11.31	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
11.32	\$	<u>289,000</u>	<u>.....</u>	<u>2017</u>

12.1 This appropriation includes \$0 for 2016 and \$289,000 for 2017.

12.2 Subd. 7. **Alternative compensation aid.** For alternative teacher compensation aid
 12.3 under Minnesota Statutes, section 122A.415, subdivision 4:

12.4 \$ -0- 2016

12.5 \$ 218,000 2017

12.6 This appropriation includes \$0 for 2016 and \$218,000 for 2017.

12.7 Subd. 8. **School breakfast aid.** For traditional school breakfast aid under Minnesota
 12.8 Statutes, section 124D.1158:

12.9 \$ -0- 2016

12.10 \$ 215,000 2017

12.11 This appropriation includes \$0 for 2016 and \$215,000 for 2017.

12.12 Subd. 9. **School lunch aid.** For school lunch aid according to Minnesota Statutes,
 12.13 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

12.14 \$ -0- 2016

12.15 \$ 36,000 2017

12.16 This appropriation includes \$0 for 2016 and \$36,000 for 2017.

12.17 Subd. 10. **Department of Education.** For the Department of Education:

12.18 \$ -0- 2016

12.19 \$ 592,000 2017

12.20 Of this amount, \$500,000 is for administration of this program and \$92,000 is for
 12.21 MN.IT costs related to this program.

12.22 **ARTICLE 2**

12.23 **EDUCATION EXCELLENCE**

12.24 Section 1. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2,
 12.25 is amended to read:

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

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

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

13.3 (d) The Board of Teaching must notify a candidate who submits a portfolio under
13.4 paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not
13.5 the portfolio was approved. If the portfolio was not approved, the board must immediately
13.6 inform the candidate how to revise the portfolio to successfully demonstrate the requisite
13.7 competence. The candidate may resubmit a revised portfolio at any time and the Educator
13.8 Licensing Division at the department must approve or disapprove the portfolio within
13.9 60 calendar days of receiving it.

13.10 (e) A candidate must pay to the executive secretary of the Board of Teaching a \$300
13.11 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted
13.12 subsequently. The fees must be paid to the executive secretary of the Board of Teaching.
13.13 The revenue generated from the fee ~~must be~~ is deposited in an education licensure
13.14 portfolio account in the special revenue fund: and is appropriated to the commissioner of
13.15 education for licensure via portfolio expenditures. The fees set by the Board of Teaching
13.16 are nonrefundable for applicants not qualifying for a license. The Board of Teaching may
13.17 waive or reduce fees for candidates based on financial need. The fees set by the Board
13.18 of Teaching are nonrefundable for applicants not qualifying for a license. The Board of
13.19 Teaching may waive or reduce fees for candidates based on financial need.

13.20 Sec. 2. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4, is
13.21 amended to read:

13.22 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
13.23 teacher compensation aid for a school with a plan approved under section 122A.414,
13.24 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under
13.25 subdivision 1. The basic alternative teacher compensation aid for a charter school with a
13.26 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the
13.27 number of pupils enrolled in the school on October 1 of the previous year, or on October
13.28 1 of the current year for a charter school in the first year of operation, times the ratio of
13.29 the sum of the alternative teacher compensation aid and alternative teacher compensation
13.30 levy for all participating school districts to the maximum alternative teacher compensation
13.31 revenue for those districts under subdivision 1.

13.32 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
13.33 teacher compensation aid entitlement must not exceed \$75,840,000 for fiscal year 2016
13.34 and \$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount
13.35 of alternative teacher compensation aid approved under this section so as not to exceed

14.1 ~~these limits: by not approving new participants or by prorating the aid among participating~~
 14.2 ~~districts, intermediate school districts, school sites, and charter schools. The commissioner~~
 14.3 ~~may also reallocate a portion of the allowable aid for the biennium from the second year~~
 14.4 ~~to the first year to meet the needs of approved participants. Basic alternative teacher~~
 14.5 compensation aid for an intermediate district or other cooperative unit equals \$3,000 times
 14.6 the number of licensed teachers employed by the intermediate district or cooperative unit
 14.7 on October 1 of the previous school year.

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

14.9 Sec. 3. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2, is
 14.10 amended to read:

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

14.14 (1) the school is on a development plan for continuous improvement under section
 14.15 120B.35, subdivision 2; or

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

14.18 (b) An eligible school site may receive up to ~~\$100,000~~ \$150,000 annually. School
 14.19 sites receiving funding under this section shall hire or contract with a partner agency to
 14.20 hire a site coordinator to coordinate services at each covered school site.

14.21 (c) Of grants awarded, implementation funding of up to \$20,000 must be available
 14.22 for up to one year for planning for school sites. At the end of this period, the school must
 14.23 submit a full-service community school plan, pursuant to paragraph (g). If the site decides
 14.24 not to utilize planning funds, the plan must be submitted with the application.

14.25 (d) The commissioner shall ~~disperse the funds to~~ consider additional school factors
 14.26 when dispensing funds including: schools with significant populations of students
 14.27 receiving free or reduced-price lunches. ~~Schools with~~ significant homeless and highly
 14.28 mobile students ~~shall also be a priority. The commissioner must also disperse the funds in a~~
 14.29 ~~manner to ensure~~ rates; and equity among urban, suburban, and greater Minnesota schools.

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

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

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

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

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

15.14 (i) identification of challenges facing the school;

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

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

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

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

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

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

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

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

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

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

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

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

16.7 (2) a baseline analysis of community assets and a strategic plan for utilizing
16.8 and aligning identified assets. This analysis should include, but is not limited to, a
16.9 documentation of individuals in the community, faith-based organizations, community and
16.10 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
16.11 agencies who may be able to provide support and resources; and

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

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

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

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

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

16.20 (1) early childhood:

16.21 (i) early childhood education; and

16.22 (ii) child care services;

16.23 (2) academic:

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

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

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

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

16.29 (v) specialized instructional support services;

16.30 (3) parental involvement:

16.31 (i) programs that promote parental involvement and family literacy, including the
16.32 Reading First and Early Reading First programs authorized under part B of title I of the
16.33 Elementary and Secondary Education Act of 1965, United States Code, title 20, section
16.34 6361, et seq.;

16.35 (ii) parent leadership development activities; and

16.36 (iii) parenting education activities;

- 17.1 (4) mental and physical health:
- 17.2 (i) mentoring and other youth development programs, including peer mentoring and
- 17.3 conflict mediation;
- 17.4 (ii) juvenile crime prevention and rehabilitation programs;
- 17.5 (iii) home visitation services by teachers and other professionals;
- 17.6 (iv) developmentally appropriate physical education;
- 17.7 (v) nutrition services;
- 17.8 (vi) primary health and dental care; and
- 17.9 (vii) mental health counseling services;
- 17.10 (5) community involvement:
- 17.11 (i) service and service-learning opportunities;
- 17.12 (ii) adult education, including instruction in English as a second language; and
- 17.13 (iii) homeless prevention services;
- 17.14 (6) positive discipline practices; and
- 17.15 (7) other programming designed to meet school and community needs identified in
- 17.16 the baseline analysis and reflected in the full-service community school plan.
- 17.17 (h) The school leadership team at each school site must develop a full-service
- 17.18 community school plan detailing the steps the school leadership team will take, including:
- 17.19 (1) timely establishment and consistent operation of the school leadership team;
- 17.20 (2) maintenance of attendance records in all programming components;
- 17.21 (3) maintenance of measurable data showing annual participation and the impact
- 17.22 of programming on the participating children and adults;
- 17.23 (4) documentation of meaningful and sustained collaboration between the school
- 17.24 and community stakeholders, including local governmental units, civic engagement
- 17.25 organizations, businesses, and social service providers;
- 17.26 (5) establishment and maintenance of partnerships with institutions, such as
- 17.27 universities, hospitals, museums, or not-for-profit community organizations to further the
- 17.28 development and implementation of community school programming;
- 17.29 (6) ensuring compliance with the district nondiscrimination policy; and
- 17.30 (7) plan for school leadership team development.

17.31 **Sec. 4. [136A.123] MINNESOTA'S FUTURE TEACHERS GRANT PROGRAM.**

17.32 **Subdivision 1. Definitions.** (a) For purposes of this section, the following terms

17.33 have the meanings given.

17.34 (b) "Eligible institution" means a postsecondary institution under Minnesota

17.35 Statutes, section 136A.101, subdivision 4, located in Minnesota.

(c) "High needs area" means a high needs area as defined by the Department of Education biannual teacher supply and demand report under Minnesota Statutes, section 127A.05, subdivision 6, or other surveys conducted by the Department of Education that provide indicators for teacher supply and demand needs not captured by the teacher supply and demand report.

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

(1) has been designated a low performing school under the most recently passed version of the federal Elementary and Secondary Education Act; or

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

(e) "Qualified candidate" means a student enrolled in an eligible institution with an approved teacher preparation program that meets the program eligibility requirements in subdivision 3.

Subd. 2. Account. An account is established under the control of the commissioner of the Office of Higher Education for grants to eligible institutions with approved teacher preparation programs to provide financial assistance and support to students interested in entering the teaching profession. Unused funds appropriated to the Department of Education and transferred to the Office of Higher Education in a given fiscal year do not cancel.

Subd. 3. Program requirements. (a) The commissioner of the Office of Higher Education shall award grants to eligible institutions to facilitate undergraduate and graduate students, beginning in the 2017-2018 academic year, to become licensed teachers. The commissioner of the Office of Higher Education shall determine the maximum grant amount per institution and the maximum amount of the grant available for administrative and support services.

(b) Grants must be awarded to programs at eligible institutions that demonstrate:

(1) a majority of the grant will be used to reduce the tuition, fees, and costs for qualified candidates;

(2) the ability of the program to perform outreach activities to encourage historically underserved students, students of color, and students interested in teaching in a high needs area or high needs school to participate in the program;

(3) participating students will be provided with support services to ensure persistence and completion in their program and successful teacher licensure;

(4) participating students will be provided with experiential opportunities to explore teacher and educator experiences;

19.1 (5) participating students will provide a letter of intent, demonstrating their interest
19.2 in teaching in a high needs area or high needs school, upon completing their teacher
19.3 preparation program and receiving their teaching license.

19.4 (c) A grantee must be provided mentoring. Mentoring must include, but is not
19.5 limited to:

19.6 (1) communicating frequently and consistently throughout program participation;

19.7 (2) developing a personalized student success plan, which must include concrete
19.8 steps towards program completion and job placement and identify and make contingency
19.9 plans for potential obstacles to program completion;

19.10 (3) connecting grantees to on-campus resources and personal development
19.11 opportunities; and

19.12 (4) financial planning.

19.13 **Sec. 5. RULEMAKING AUTHORITY.**

19.14 (a) The Board of Teaching shall adopt rules for a process for approving certificates
19.15 of advanced professional study. A certificate of advanced professional study is a credential
19.16 available only to a teacher with a full license in at least one discipline that allows for
19.17 teaching without further waiver or variance when a licensure program in the discipline
19.18 does not exist in Minnesota, or when a teacher with a full license in the discipline cannot
19.19 be found. The certificate of advanced professional study must:

19.20 (1) have fewer requirements than the full license in the discipline;

19.21 (2) set the specific qualifications required to attain it; and

19.22 (3) maintain professional standards for teaching in that discipline.

19.23 (b) The rules adopted under paragraph (a) must limit certificates of advanced
19.24 professional study to:

19.25 (1) disciplines in which at least one geographic area of the state has a demonstrated
19.26 shortage of fully licensed teachers; and

19.27 (2) emerging disciplines where full licenses or licensure programs do not exist
19.28 in Minnesota.

19.29 **Sec. 6. STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.**

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

19.32 (b) "High needs area" means a high needs area as defined in the Department of
19.33 Education biannual teacher supply and demand report under Minnesota Statutes, section
19.34 127A.05, subdivision 6, or other surveys conducted by the Department of Education that

20.1 provide indicators for teacher supply and demand needs not captured by the teacher
20.2 supply and demand report.

20.3 (c) "High needs school" means a school that:

20.4 (1) is identified as a low performing school under federal expectations; and

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

20.7 (d) "Qualified candidate" means a paraprofessional employed in a Minnesota school
20.8 currently or within the past three years who has been admitted to an institution as defined
20.9 under Minnesota Statutes, section 136A.101, subdivision 4, located in Minnesota with
20.10 an approved Minnesota teacher licensure program and meets the program eligibility
20.11 requirements in subdivision 3 and in policies adopted under subdivision 5.

20.12 Subd. 2. **Account.** An account is established under the control of the commissioner
20.13 of the Office of Higher Education to disburse financial assistance for paraprofessionals
20.14 when enrolled in a program in Minnesota leading to teacher licensure. Unused funds
20.15 appropriated to the Department of Education in a given fiscal year does not cancel.

20.16 Subd. 3. **Eligibility.** (a) A qualified candidate may apply, beginning in the
20.17 2017-2018 academic year, to the commissioner of the Office of Higher Education to
20.18 receive financial assistance under this section. The commissioner of the Office of Higher
20.19 Education shall award financial assistance to paraprofessionals employed in high needs
20.20 areas or high needs schools based on shortages, geographical distribution, or other surveys
20.21 conducted by the Department of Education and must take into consideration diversifying
20.22 the teacher workforce. The application must include a letter of support from the designated
20.23 school district administrator where the paraprofessional is employed.

20.24 (b) A candidate must commit to remain employed in a Minnesota school district for
20.25 four years upon completion of teacher preparation as verified through the Staff Automated
20.26 Reporting (STAR) system maintained by the Department of Education. A candidate
20.27 who does not complete the four-year service commitment may be required to repay the
20.28 financial assistance.

20.29 (c) A candidate must provide a letter of intent, demonstrating an interest in teaching
20.30 in a high needs area or high needs school, upon completing the teacher preparation
20.31 program and receiving a teaching license.

20.32 Subd. 4. **Usage.** The financial assistance may only be used for tuition and related
20.33 living and miscellaneous expenses required to complete teacher preparation and attain
20.34 licensure.

21.1 Subd. 5. **Policymaking.** The commissioner of education with assistance from the
 21.2 commissioner of the Office of Higher Education shall adopt policies or procedures to
 21.3 implement this section, including:

- 21.4 (1) additional eligibility and renewal criteria;
 21.5 (2) annual and lifetime maximum awards per student; and
 21.6 (3) service fulfillment and repayment criteria.

21.7 Sec. 7. **TEACHER DEVELOPMENT AND EVALUATION AID.**

21.8 (a) For fiscal year 2017 only, teacher development and evaluation aid for a school
 21.9 district, intermediate school district, educational cooperative, education district, or charter
 21.10 school with any school site that does not have an alternative professional pay system
 21.11 agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$341.74
 21.12 times the number of full-time equivalent teachers employed on October 1 of the previous
 21.13 school year in each school site without an alternative professional pay system under
 21.14 Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, aid under
 21.15 this section must be reserved for teacher development and evaluation activities consistent
 21.16 with Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5.
 21.17 For the purposes of this section, "teacher" has the meaning given in Minnesota Statutes,
 21.18 section 122A.40, subdivision 1, or 122A.41, subdivision 1.

21.19 (b) Notwithstanding paragraph (a), the state total teacher development and evaluation
 21.20 aid entitlement must not exceed \$10,000,000 for fiscal year 2017. The commissioner must
 21.21 limit the amount of aid under this section so as not to exceed this limit.

21.22 (c) One hundred percent of the teacher development and evaluation aid must be
 21.23 paid in fiscal year 2017.

21.24 Sec. 8. **APPROPRIATIONS.**

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

21.28 Subd. 2. **Full-service community schools.** For full-service community schools
 21.29 under Minnesota Statutes, section 124D.231:

21.30	\$	<u>250,000</u>	<u>.....</u>	<u>2016</u>
21.31	\$	<u>2,250,000</u>	<u>.....</u>	<u>2017</u>

22.1 Up to \$100,000 each year is for administration of this program. The base is \$0 in
 22.2 fiscal year 2018. This appropriation is in addition to the appropriation under Laws 2015,
 22.3 First Special Session chapter 3, article 2, section 70, subdivision 2.

22.4 Subd. 3. **Minnesota's future teachers grant program.** To the Department of
 22.5 Education for the Minnesota's future teachers grant program under Minnesota Statutes,
 22.6 section 136A.123:

22.7	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
22.8	\$	<u>10,000,000</u>	<u>.....</u>	<u>2017</u>

22.9 Up to \$100,000 of this amount may be used by the Department of Education for
 22.10 administrative costs. The remaining \$9,900,000 is transferred to the Office of Higher
 22.11 Education, of which up to \$500,000 may be used for administrative costs. The base for
 22.12 this program in fiscal year 2018 and later is \$10,000,000.

22.13 Subd. 4. **Stepping up for kids program.** To the Department of Education for a
 22.14 transfer to the commissioner of the Office of Higher Education for the stepping up for kids
 22.15 financial assistance account under Minnesota Statutes, section ...

22.16	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
22.17	\$	<u>2,000,000</u>	<u>.....</u>	<u>2017</u>

22.18 Up to six percent of the appropriation each year may be used for administrative
 22.19 costs, of which no more than five percent of the appropriation may be transferred to the
 22.20 Office of Higher Education for administrative costs.

22.21 Subd. 5. **Alternative compensation.** For alternative teacher compensation aid
 22.22 under Minnesota Statutes, section 122A.415, subdivision 4:

22.23	\$	<u>183,000</u>	<u>.....</u>	<u>2016</u>
22.24	\$	<u>21,000</u>	<u>.....</u>	<u>2017</u>

22.25 The 2016 appropriation includes \$0 for 2015 and \$183,000 for 2016.

22.26 The 2017 appropriation includes \$21,000 for 2016 and \$0 for 2017.

22.27 This appropriation is in addition to the appropriation under Laws 2015, First Special
 22.28 Session chapter 3, article 2, section 70, subdivision 2, as amended by article 8.

22.29 Subd. 6. **Teacher development and evaluation.** For teacher development and
 22.30 evaluation aid:

22.31	\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
22.32	\$	<u>10,000,000</u>	<u>.....</u>	<u>2017</u>

22.33 This is a onetime appropriation.

23.1 **ARTICLE 3**

23.2 **CHARTER SCHOOLS**

23.3 Section 1. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective
23.4 date, is amended to read:

23.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
23.6 except the provision under paragraph (g) allowing prekindergarten deaf or hard-of-hearing
23.7 pupils to enroll in a charter school is effective ~~only if the commissioner of education~~
23.8 ~~determines there is no added cost attributable to the pupil~~ for the 2016-2017 school year
23.9 and later.

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

23.11 **ARTICLE 4**

23.12 **SPECIAL EDUCATION**

23.13 Section 1. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1,
23.14 is amended to read:

23.15 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
23.16 later, when a school district provides special instruction and services for a pupil with
23.17 a disability as defined in section 125A.02 outside the district of residence, excluding
23.18 a pupil for whom an adjustment to special education aid is calculated according to
23.19 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
23.20 resident district must be reduced by an amount equal to (1) the actual cost of providing
23.21 special instruction and services to the pupil, including a proportionate amount for special
23.22 transportation ~~and unreimbursed building lease and debt service costs for facilities~~
23.23 ~~used primarily for special education~~, plus (2) the amount of general education revenue,
23.24 excluding local optional revenue, plus local optional aid and referendum equalization aid
23.25 attributable to that pupil, calculated using the resident district's average general education
23.26 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
23.27 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
23.28 amount of special education aid for children with a disability under section 125A.76
23.29 received on behalf of that child, minus (4) if the pupil receives special instruction and
23.30 services outside the regular classroom for more than 60 percent of the school day, the
23.31 amount of general education revenue and referendum equalization aid, excluding portions
23.32 attributable to district and school administration, district support services, operations and

24.1 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
 24.2 for the portion of time the pupil receives special instruction and services outside of the
 24.3 regular classroom, calculated using the resident district's average general education
 24.4 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
 24.5 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
 24.6 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
 24.7 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
 24.8 cooperative unit without a fiscal agent school district, the general education revenue and
 24.9 referendum equalization aid attributable to a pupil must be calculated using the resident
 24.10 district's average general education revenue and referendum equalization aid excluding
 24.11 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
 24.12 Special education aid paid to the district or cooperative providing special instruction and
 24.13 services for the pupil must be increased by the amount of the reduction in the aid paid
 24.14 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
 24.15 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
 24.16 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~
 24.17 the resident district's special education aid is insufficient to make the full adjustment, the
 24.18 remaining adjustment shall be made to other state aid due to the district.

24.19 (b) Notwithstanding paragraph (a), when a charter school receiving special education
 24.20 aid under section 124E.21, subdivision 3, provides special instruction and services for
 24.21 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
 24.22 adjustment to special education aid is calculated according to section 127A.46, subdivision
 24.23 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
 24.24 by an amount equal to that calculated under paragraph (a) as if the charter school received
 24.25 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education
 24.26 aid paid to the charter school providing special instruction and services for the pupil must
 24.27 not be increased by the amount of the reduction in the aid paid to the resident district.

24.28 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
 24.29 (b) to (d);

24.30 (1) an intermediate district or a special education cooperative may recover
 24.31 unreimbursed costs of serving pupils with a disability, including building lease, debt
 24.32 service, and indirect costs necessary for the general operation of the organization, by
 24.33 billing membership fees and nonmember access fees to the resident district;

24.34 (2) a charter school where more than 30 percent of enrolled students receive special
 24.35 education and related services, a site approved under section 125A.515, an intermediate
 24.36 district, or a special education cooperative, or a school district that served as the applicant

25.1 ~~agency for a group of school districts for federal special education aids for fiscal year 2006~~
 25.2 may apply to the commissioner for authority to charge the resident district an additional
 25.3 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

25.4 (3) the billing under clause (1) or application under clause (2) must include a
 25.5 description of the costs and the calculations used to determine the unreimbursed portion to
 25.6 be charged to the resident district. Amounts approved by the commissioner under ~~this~~
 25.7 ~~paragraph~~ clause (2) must be included in the ~~tuition billings or~~ aid adjustments under
 25.8 paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

25.9 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph
 25.10 (b), "general education revenue and referendum equalization aid" means the sum of the
 25.11 general education revenue according to section 126C.10, subdivision 1, excluding the
 25.12 local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the
 25.13 referendum equalization aid according to section 126C.17, subdivision 7.

25.14 Sec. 2. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
 25.15 amended to read:

25.16 Subd. 3. **Use of reimbursements.** ~~Of the reimbursements received, districts may~~
 25.17 School districts must reserve third-party revenue and must spend the reimbursements
 25.18 received only to:

25.19 (1) retain an amount sufficient to compensate the district for its administrative costs
 25.20 of obtaining reimbursements;

25.21 (2) regularly obtain from education- and health-related entities training and other
 25.22 appropriate technical assistance designed to improve the district's ability to access
 25.23 third-party payments for individualized education program or individualized family
 25.24 service plan health-related services; or

25.25 (3) reallocate reimbursements for the benefit of students with individualized
 25.26 education programs or individualized family service plans in the district.

25.27 Sec. 3. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c, is
 25.28 amended to read:

25.29 Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a
 25.30 district's special education aid equals the sum of the district's special education aid under
 25.31 subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the
 25.32 district's excess cost aid under section 125A.79, subdivision 7.

26.1 (b) For fiscal year 2016 and later, a district's special education aid equals the sum of
26.2 the district's special education initial aid under subdivision 2a and the district's excess cost
26.3 aid under section 125A.79, subdivision 5.

26.4 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
26.5 a school district must not exceed the sum of the special education aid the district would
26.6 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
26.7 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
26.8 127A.47, subdivision 7, and the product of the district's average daily membership served
26.9 and the special education aid increase limit.

26.10 (d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education
26.11 aid for a school district must not exceed the sum of: (i) the product of the district's average
26.12 daily membership served and the special education aid increase limit and (ii) the product
26.13 of the sum of the special education aid the district would have received for fiscal year 2016
26.14 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according
26.15 to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of
26.16 the district's average daily membership served for the current fiscal year to the district's
26.17 average daily membership served for fiscal year 2016, and the program growth factor.

26.18 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
26.19 education aid for a school district, not including a charter school or cooperative unit as
26.20 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
26.21 special education expenditures for that fiscal year or (2) the product of the sum of the
26.22 special education aid the district would have received for fiscal year 2016 under Minnesota
26.23 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
26.24 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
26.25 daily membership for the current fiscal year to the district's average daily membership for
26.26 fiscal year 2016, and the program growth factor.

26.27 (f) Notwithstanding subdivision 2a and section 125A.79, a charter school in its first
26.28 year of operation shall generate special education aid based on current year data. A newly
26.29 formed cooperative unit as defined in section 123A.24 may apply to the commissioner
26.30 for approval to generate special education aid for its first year of operation based on
26.31 current year data, with an offsetting adjustment to the prior year data used to calculate aid
26.32 for programs at participating school districts or previous cooperatives that were replaced
26.33 by the new cooperative.

26.34 (g) The department shall establish procedures through the uniform financial
26.35 accounting and reporting system to identify and track all revenues generated from
26.36 third-party billings as special education revenue at the school district level; include revenue

27.1 generated from third-party billings as special education revenue in the annual cross-subsidy
27.2 report; and exclude third-party revenue from calculation of excess cost aid to the districts.

27.3 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is
27.4 amended to read:

27.5 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this
27.6 subdivision apply.

27.7 (a) "Unreimbursed old formula special education expenditures" means:

27.8 (1) old formula special education expenditures for the prior fiscal year; minus

27.9 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
27.10 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
27.11 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
27.12 initial aid under section 125A.76, subdivision 2a; minus

27.13 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
27.14 local optional revenue, plus local optional aid and referendum equalization aid for the
27.15 prior fiscal year attributable to pupils receiving special instruction and services outside the
27.16 regular classroom for more than 60 percent of the school day for the portion of time the
27.17 pupils receive special instruction and services outside the regular classroom, excluding
27.18 portions attributable to district and school administration, district support services,
27.19 operations and maintenance, capital expenditures, and pupil transportation.

27.20 (b) "Unreimbursed nonfederal special education expenditures" means:

27.21 (1) nonfederal special education expenditures for the prior fiscal year; minus

27.22 (2) special education initial aid under section 125A.76, subdivision 2a; minus

27.23 (3) the amount of general education revenue, excluding local optional revenue, plus
27.24 local optional aid, and referendum equalization aid for the prior fiscal year attributable
27.25 to pupils receiving special instruction and services outside the regular classroom for
27.26 more than 60 percent of the school day for the portion of time the pupils receive special
27.27 instruction and services outside of the regular classroom, excluding portions attributable to
27.28 district and school administration, district support services, operations and maintenance,
27.29 capital expenditures, and pupil transportation.

27.30 (c) "General revenue" for a school district means the sum of the general education
27.31 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
27.32 revenue, local optional revenue, and total operating capital revenue. "General revenue"
27.33 for a charter school means the sum of the general education revenue according to section
27.34 124E.20, subdivision 1, and transportation revenue according to section 124E.23,

28.1 excluding referendum equalization aid, transportation sparsity revenue, and operating
28.2 capital revenue.

28.3 Sec. 5. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
28.4 amended to read:

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

28.9 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
28.10 education and services" means the difference between: (1) the actual cost of providing
28.11 special instruction and services, including special transportation and unreimbursed
28.12 building lease and debt service costs for facilities used primarily for special education, for
28.13 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
28.14 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
28.15 receives special instruction and services outside the regular classroom for more than
28.16 60 percent of the school day, the amount of general education revenue, excluding local
28.17 optional revenue, plus local optional aid and referendum equalization aid as defined in
28.18 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
28.19 time the pupil receives special instruction and services outside of the regular classroom,
28.20 excluding portions attributable to district and school administration, district support
28.21 services, operations and maintenance, capital expenditures, and pupil transportation,
28.22 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
28.23 received by the district providing special instruction and services. For purposes of this
28.24 paragraph, general education revenue and referendum equalization aid attributable to a
28.25 pupil must be calculated using the serving district's average general education revenue
28.26 and referendum equalization aid per adjusted pupil unit.

28.27 (c) For fiscal year 2015 and later, special education aid paid to a resident district
28.28 must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing
28.29 special education and services.

28.30 (d) Notwithstanding paragraph (c), special education aid paid to a resident district
28.31 must be reduced by an amount equal to 100 percent of the unreimbursed cost of special
28.32 education and services provided to students at an intermediate district, cooperative, or
28.33 charter school where the percent of students eligible for special education services is at
28.34 least 70 percent of the charter school's total enrollment.

(e) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced under paragraph (d) for students at a charter school receiving special education aid under section 124E.21, subdivision 3, calculated as if the charter school received special education aid under section 124E.21, subdivision 1.

(f) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be increased by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment under paragraphs (c), (d), and (e), the remaining adjustment shall be made to other state aids due to the district.

(g) Notwithstanding paragraph (a), general education aid paid to the resident district of a nonspecial education student for whom an eligible special education charter school receives general education aid under section 124E.20, subdivision 1, paragraph (c), must be reduced by an amount equal to the difference between the general education aid attributable to the student under section 124E.20, subdivision 1, paragraph (c), and the general education aid that the student would have generated for the charter school under section 124E.20, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial education student" means a student who does not meet the definition of pupil with a disability as defined in section 125A.02 or the definition of a pupil in section 125A.51.

(h) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in paragraph (f), the district of residence must pay tuition equal to at least 90 and no more than 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue, local optional revenue, and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

Sec. 6. **APPROPRIATIONS.**

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

Subd. 2. **Charter school prekindergarten enrollment.** \$69,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of education for enrolling eligible prekindergarten children in a charter school under Minnesota Statutes, section 124E.11, paragraph (h). This appropriation is in addition to the appropriation under Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2, as amended by article 8:

\$	-0-	.....	2016
\$	69,000	.....	2017

Subd. 3. **Restrictive procedures work group.** To implement the recommendations from the restrictive procedures work group:

\$	-0-	.....	2016
\$	1,000,000	.....	2017

The base for fiscal year 2018 and thereafter is \$1,000,000.

ARTICLE 5

EARLY CHILDHOOD EDUCATION

Section 1. **[124D.173] HELP ME GROW SYSTEM.**

Subdivision 1. **Purpose.** The purpose of this section is to develop and implement a comprehensive, statewide, coordinated system of early identification, referral, and follow-up for children, prenatal through age eight, and their families.

Subd. 2. **Establishment and administration.** The commissioner of education shall provide funding and shall work collaboratively through interagency agreements with the commissioners of human services and health to implement this section and maintain annual affiliate status with the Help Me Grow National Center.

Subd. 3. **Duties.** (a) The Help Me Grow system shall facilitate collaboration across sectors, including child health, early learning and education, and family supports by:

(1) providing child health care provider outreach to support early detection, intervention, and knowledge about local resources;

(2) identifying and providing access to detection tools used to identify young children at risk for developmental and behavioral problems; and

(3) linking children and families to appropriate community-based services.

(b) The Help Me Grow system shall provide community outreach that includes support for, and participation in, the Help Me Grow system, including disseminating information on the system and compiling and maintaining a resource directory that includes, but is not limited to:

(1) primary and specialty medical care providers;

- 31.1 (2) early childhood education and child care programs;
 31.2 (3) developmental disabilities assessment and intervention programs;
 31.3 (4) mental health services;
 31.4 (5) family and social support programs;
 31.5 (6) child advocacy and legal services;
 31.6 (7) public health services and resources; and
 31.7 (8) other appropriate early childhood information.
 31.8 (c) The Help Me Grow system shall develop a centralized access point for parents
 31.9 and professionals to obtain information, resources, and other support services.
 31.10 (d) The Help Me Grow system shall collect data to increase understanding of all
 31.11 aspects of the current and ongoing system under this section, including identification of
 31.12 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.
 31.13 Subd. 4. **Review.** The Department of Education shall annually review the following:
 31.14 (1) outcomes achieved by this system;
 31.15 (2) alignment with overall early childhood goals and objectives; and
 31.16 (3) impacts on young children.

31.17 **ARTICLE 6**

31.18 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

31.19 Section 1. Minnesota Statutes 2014, section 124D.55, is amended to read:

31.20 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

31.21 The commissioner shall pay 60 percent of the fee that is charged to an eligible
 31.22 individual for the full battery of a general education development (GED) test, but not
 31.23 more than \$40 for an eligible individual.

31.24 For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee that is
 31.25 charged to an eligible individual for the full battery of a general education development
 31.26 (GED) test, but not more than the cost of one full battery per year for any individual.

31.27 Sec. 2. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 3,
 31.28 is amended to read:

31.29 Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under
 31.30 Minnesota Statutes, section 124D.55:

31.31 \$ 125,000 2016

31.32 ~~125,000~~

31.33 \$ 245,000 2017

31.34 The base appropriation for fiscal year 2018 and later is \$125,000.

ARTICLE 7**STATE AGENCIES**

Section 1. Laws 2015, First Special Session chapter 3, article 12, section 4, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

	21,246,000		
\$	<u>21,276,000</u>	.....	2016
	21,973,000		
\$	<u>26,737,000</u>	.....	2017

Of these amounts:

(1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and \$795,000 in fiscal year 2017, is for the Board of Teaching. The base appropriation in fiscal year 2018 and later is \$801,000;

(2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board of School Administrators;

(3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota Statutes, section 120B.115;

(4) \$500,000 each year is for the School Safety Technical Assistance Center under Minnesota Statutes, section 127A.052;

(5) \$250,000 each year is for the School Finance Division to enhance financial data analysis; ~~and~~

(6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency and Success Act, as amended;

(7) \$302,000 in fiscal year 2017 is for the Board of Teaching for implementation of CAPS as described in article 2, section 4. The base appropriation in fiscal year 2018 and thereafter is \$50,000 each year. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into an interagency agreement and will be paid to the Office of MN.IT Services by the commissioner of education under the mechanism specified in that agreement; and

(8) \$4,385,000 in fiscal year 2017 is for Department of Education IT Enhancements and Security. This is a onetime appropriation. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into

an interagency agreement and will be paid to the Office of MN.IT Services by the commissioner of education under the mechanism specified in that agreement.

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

(c) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(d) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(e) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(f) The agency's base budget in fiscal year 2018 is \$21,973,000 \$22,106,000. The agency's base budget in fiscal year 2019 is \$21,948,000.

Sec. 2. **APPROPRIATIONS.**

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

Subd. 2. Help Me Grow. For implementation of the Help Me Grow system as defined in Minnesota Statutes, section 124D.173:

\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
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\$	<u>1,000,000</u>	<u>.....</u>	<u>2017</u>
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This is a onetime appropriation.

Subd. 3. Positive Behavioral Interventions And Supports (PBIS). For implementation of schoolwide Positive Behavioral Interventions And Supports (PBIS) in schools and districts throughout Minnesota to reduce the use of restrictive procedures and increase use of positive practices:

\$	<u>-0-</u>	<u>.....</u>	<u>2016</u>
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\$	<u>2,750,000</u>	<u>.....</u>	<u>2017</u>
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This is a onetime appropriation.

34.1 Subd. 4. **Special education online reporting.** To develop a statewide online
34.2 reporting system to reduce and streamline special education paperwork according to
34.3 Minnesota Statutes, section 125A.085:

34.4 \$ -0- 2016

34.5 \$ 2,000,000 2017

34.6 The base appropriation for fiscal year 2018 and thereafter is \$540,000. This
34.7 appropriation includes funds for information technology project services and support
34.8 subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology
34.9 costs will be incorporated into the service level agreement and will be paid to the Office of
34.10 MN.IT Services by the commissioner of labor and industry under the rates and mechanism
34.11 specified in that agreement.

APPENDIX
Article locations in 16-7306

ARTICLE 1	GENERAL EDUCATION	Page.Ln 1.17
ARTICLE 2	EDUCATION EXCELLENCE	Page.Ln 12.22
ARTICLE 3	CHARTER SCHOOLS	Page.Ln 23.1
ARTICLE 4	SPECIAL EDUCATION	Page.Ln 23.11
ARTICLE 5	EARLY CHILDHOOD EDUCATION	Page.Ln 30.13
ARTICLE 6	SELF-SUFFICIENCY AND LIFELONG LEARNING	Page.Ln 31.17
ARTICLE 7	STATE AGENCIES	Page.Ln 32.1