

SENATE
STATE OF MINNESOTA
NINETIETH SESSION

S.F. No. 2128

(SENATE AUTHORS: NELSON)

DATE	D-PG	OFFICIAL STATUS
03/15/2017	1487	Introduction and first reading Referred to E-12 Policy
03/16/2017	1548	Withdrawn and re-referred to E-12 Finance Reconsidered motion to re-refer to E-12 Finance
	1549	Motion withdrawn (to re-refer)

1.1 A bill for an act

1.2 relating to education; state government; repealing authority for the Perpich Center

1.3 for Arts Education to operate the Crosswinds school; directing the commissioner

1.4 of administration to sell the Crosswinds school facility; providing the proceeds of

1.5 the Crosswinds school sale be paid as direct aid to the Teachers Retirement

1.6 Association and the St. Paul Teachers' Retirement Fund Association; amending

1.7 Minnesota Statutes 2016, section 126C.10, subdivision 2d; repealing Minnesota

1.8 Statutes 2016, sections 129C.10, subdivision 5a; 129C.30.

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

1.10 Section 1. Minnesota Statutes 2016, section 126C.10, subdivision 2d, is amended to read:

1.11 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment

1.12 revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance

1.13 for that year and (2) the difference between the adjusted pupil units for the preceding year

1.14 and the adjusted pupil units for the current year.

1.15 ~~(b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil~~

1.16 ~~enrolled at the Crosswinds school shall not generate declining enrollment revenue for the~~

1.17 ~~district or charter school in which the pupil was last counted in average daily membership.~~

1.18 ~~(e)~~ (b) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,

1.19 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be

1.20 excluded from the calculation of declining enrollment revenue.

1.21 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2019 and later.

2.1 **Sec. 2. TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

2.2 Subdivision 1. **Student enrollment.** Any student enrolled in the Crosswinds school
2.3 during the 2017-2018 school year may continue to enroll in the Crosswinds school in any
2.4 subsequent year that a school district or charter school operates a school at that site.

2.5 **Subd. 2. Compensatory revenue; literacy aid; alternative compensation revenue.**

2.6 For the 2018-2019 school year only, for a school district or charter school enrolling pupils
2.7 at the Crosswinds school, the Department of Education must calculate compensatory revenue,
2.8 literacy aid, and alternative compensation revenue for the Crosswinds school based on the
2.9 October 1, 2017, enrollment counts at that site.

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

2.11 **Sec. 3. DISPOSITION OF CROSSWINDS SCHOOL; PROCEEDS OF SALE.**

2.12 Subdivision 1. **Disposition of Crosswinds school property.** (a) Notwithstanding the
2.13 appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section
2.14 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492,
2.15 article 1, section 5, subdivision 2; Laws 2001, First Special Session chapter 12, section 2,
2.16 subdivision 2; and Laws 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and
2.17 better the Crosswinds school facilities by the Joint Powers District No. 6067, East Metro
2.18 Integration District, in Woodbury, the Crosswinds school may be conveyed by the
2.19 commissioner of administration to a buyer on the open market.

2.20 (b) As soon as practicable following July 1, 2018, and consistent with Minnesota Statutes,
2.21 sections 16A.695 and 16B.281 to 16B.298, and constraints on the disposition of
2.22 bond-financed property, the commissioner of administration shall offer the Crosswinds
2.23 school property for sale for no less than fair market value. Before offering the Crosswinds
2.24 school property for sale, the commissioner of administration must determine that the property
2.25 is no longer needed to carry out the governmental program for which it was acquired or
2.26 constructed.

2.27 **Subd. 2. Proceeds of sale of Crosswinds school.** Consistent with Minnesota Statutes,
2.28 sections 16A.695 and 16B.287, the net state proceeds of the sale of the Crosswinds school
2.29 shall be credited to the general fund and appropriated to the commissioner of management
2.30 and budget for a onetime direct aid payment to the Teachers Retirement Association and
2.31 the St. Paul Teachers' Retirement Fund Association. The aid under this subdivision shall
2.32 be paid in proportion to each association's fund balance on the date that the sale proceeds
2.33 are credited to the general fund.

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

3.2 Sec. 4. **REPEALER.**

3.3 Minnesota Statutes 2016, sections 129C.10, subdivision 5a; and 129C.30, are repealed.

3.4 **EFFECTIVE DATE.** This section is effective July 1, 2018.

129C.10 PERPICH CENTER FOR ARTS EDUCATION.

Subd. 5a. **Interdistrict voluntary integration magnet program.** Notwithstanding Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate an interdistrict integration magnet program according to section 129C.30. For fiscal year 2016 and later, the board must have an approved achievement and integration plan and budget under section 124D.861.

129C.30 CROSSWINDS INTEGRATION MAGNET SCHOOL.

Subdivision 1. **Definitions.** (a) The following terms have the meanings given them for this chapter.

(b) "Board" means the board of directors of the Perpich Center for Arts Education.

(c) "Crosswinds school" means the Crosswinds school in Woodbury operated during the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration District.

Subd. 2. **Board to operate the Crosswinds school.** The board may operate the Crosswinds school with the powers and duties granted to it under this chapter. A student may apply to the Crosswinds school under section 124D.03 and the Crosswinds school may accept students under that section.

Subd. 3. **General education funding.** General education revenue must be paid to the Crosswinds school as though it were a district. The general education revenue for each adjusted pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time pupil unit equals \$4,794.

Subd. 4. **Special education funding.** Special education aid must be paid to the Crosswinds school according to sections 125A.76 and 125A.79, as though it were a school district. The special education aid paid to the Crosswinds school shall be adjusted as follows:

(1) if the Crosswinds school does not receive general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 125A.11; or

(2) if the Crosswinds school receives general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 127A.47, subdivision 7, paragraphs (b) to (d).

Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of Joint Powers District No. 6067, East Metro Integration District, must transport pupils enrolled at the Crosswinds school in the same manner as they were transported in fiscal year 2014.

(b) Pupil transportation expenses under this section are reimbursable under section 124D.87.

Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the Crosswinds school is eligible for achievement and integration aid under section 124D.862 as if it were a school district.

Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C as though it were a district.

(b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue, except as otherwise provided in this section.

(c) Federal aid received by the state must be paid to the school if it qualifies for the aid as though it were a school district.

(d) In the year-end report to the commissioner of education, the Crosswinds school shall report the total amount of funds received from grants and other outside sources.

Subd. 8. **Year-round programming.** The Crosswinds school may operate as a flexible learning year program under sections 124D.12 to 124D.127.

Subd. 9. **Data requirements.** The commissioner of education shall require the Crosswinds school to follow the budget and accounting procedures required for school districts and the Crosswinds school shall report all data to the Department of Education in the form and manner required by the commissioner.