

SENATE

STATE OF MINNESOTA

EIGHTY-NINTH SESSION

S.F. No. 1935

(SENATE AUTHORS: WIGER)

DATE	D-PG	OFFICIAL STATUS
03/23/2015	1220	Introduction and first reading Referred to Finance
04/18/2016	5822a	Comm report: To pass as amended and re-refer to Taxes
04/21/2016	5926	Comm report: To pass and re-referred to Finance

A bill for an act

relating to education finance; providing funding and policy for early childhood and family, prekindergarten through grade 12, and adult education, including general education, education excellence, charter schools, special education, early childhood education, self-sufficiency, lifelong learning, and state agencies; appropriating money; amending Minnesota Statutes 2014, sections 13.321, by adding a subdivision; 120B.021, subdivisions 1, 3; 120B.115; 120B.232; 120B.30, subdivision 2, by adding a subdivision; 120B.31, by adding a subdivision; 120B.35; 120B.36, as amended; 122A.61, by adding a subdivision; 122A.63, subdivision 1; 123B.04, subdivision 2, by adding a subdivision; 123B.53, subdivision 5; 123B.535; 124D.091, subdivisions 2, 3; 124D.1158, subdivisions 3, 4; 124D.135, subdivision 6, by adding subdivisions; 124D.59, by adding a subdivision; 124D.68, subdivision 2; 126C.05, subdivision 3; 126C.10, subdivisions 2d, 24; 127A.45, subdivision 6a; Minnesota Statutes 2015 Supplement, sections 120A.41; 120B.021, subdivision 4; 120B.31, subdivision 4; 120B.36, subdivision 1; 122A.21, subdivision 2; 122A.415, subdivision 4; 122A.61, subdivision 1; 123B.595, subdivision 1; 124D.231, subdivision 2; 124D.59, subdivision 2; 124E.10, by adding a subdivision; 125A.08; 125A.11, subdivision 1; 125A.21, subdivision 3; 125A.76, subdivision 2c; 125A.79, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 13a; 127A.47, subdivision 7; Laws 2011, First Special Session chapter 11, article 4, section 8; Laws 2012, chapter 263, sections 1, as amended; 2; Laws 2015, First Special Session chapter 3, article 1, section 27, subdivisions 2, 4, 5, 6, 7, 9; article 2, section 70, subdivisions 2, 3, 4, 5, 6, 7, 9, 11, 12, 15, 19, 21, 24; article 3, section 15, subdivision 3; article 4, sections 4; 9, subdivision 2; article 5, section 30, subdivisions 2, 3, 5; article 6, section 13, subdivisions 2, 3, 6, 7; article 7, section 7, subdivisions 2, 3, 4; article 9, section 8, subdivisions 5, 6, 7; article 10, section 3, subdivision 2; article 11, section 3, subdivision 2; article 12, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 125B; 136A.

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

2.1 **ARTICLE 1**

2.2 **GENERAL EDUCATION**

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

2.4 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

2.5 A school board's annual school calendar must include at least 425 hours of
2.6 instruction for a kindergarten student without a disability, 935 hours of instruction for a
2.7 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
2.8 through 12, not including summer school. The school calendar for all-day kindergarten
2.9 must include at least 850 hours of instruction for the school year. The school calendar for
2.10 a prekindergarten student under section 124D.151, if offered by the district, must include
2.11 at least 350 hours of instruction for the school year. A school board's annual calendar
2.12 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
2.13 four-day week schedule has been approved by the commissioner under section 124D.126.

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

2.16 Sec. 2. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

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

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

2.24 Sec. 3. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

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

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

3.1 Sec. 4. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

3.2 Subdivision 1. Establishment; purpose. A district, a charter school, a group of
3.3 districts, a group of charter schools, or a group of districts and charter schools may
3.4 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten
3.5 program is to prepare children for success as they enter kindergarten in the following year.

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

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

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

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

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

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

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

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

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

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

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

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

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

4.6 (c) Districts and charter schools must include their strategy for implementing and
4.7 measuring the impact of their voluntary prekindergarten program under section 120B.11
4.8 and provide results in their world's best workforce annual summary to the commissioner
4.9 of education.

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

4.16 Subd. 4. **Eligibility.** A child who is four years of age as of September 1 in the
4.17 calendar year in which the school year commences is eligible to participate in a voluntary
4.18 prekindergarten program free of charge. Each eligible child must complete a health and
4.19 developmental screening within 90 days of program enrollment under sections 121A.16 to
4.20 121A.19, and provide documentation of required immunizations under section 121A.15.

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

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

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

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

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

5.1 (c) The commissioner must divide all applications for new or expanded programs
5.2 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and
5.3 St. Paul school districts; other school districts located in the metropolitan equity region as
5.4 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
5.5 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
5.6 applications must be ordered by rank using a sliding scale based on the following criteria:

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

5.13 (2) presence or absence of a three- or four-star Parent Aware rated program within
5.14 the school district or close proximity of the district. School sites with the highest
5.15 concentration of kindergarten students eligible for free or reduced-price lunches that
5.16 do not have a three- or four-star Parent Aware program within the district or close
5.17 proximity of the district shall receive the highest priority, and school sites with the lowest
5.18 concentration of kindergarten students eligible for free or reduced-price lunches that have
5.19 a three- or four-star Parent Aware rated program within the district or close proximity of
5.20 the district shall receive the lowest priority. If a tie exists in the rank order of applications
5.21 under this paragraph, the commissioner must give priority among the tied applications to
5.22 the applicant with the highest proportion of prekindergarten classroom teachers with an
5.23 early childhood license issued by the Board of Teaching.

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

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

5.34 (f) If the total aid entitlement approved based on applications submitted under
5.35 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),
5.36 the commissioner must notify all school districts and charter schools of the amount that

remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days 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, \$33,095,000 for fiscal year 2018, and \$40,203,000 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. 5. 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. 6. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program, if the pupil:

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or is an English learner; or

(11) has withdrawn from school or has been chronically truant; or
(12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

(b) For the 2016-2017 school year only, a pupil otherwise qualifying under paragraph (a) who is at least 21 years of age and not yet 22 years of age and is an English learner with an interrupted formal education according to section 124D.59, subdivision 2a, is eligible to participate in the graduation incentives program under section 124D.68 and in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is funded in the same manner as other pupils under this section.

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~~ \$16,680 for fiscal year 2017, ~~\$17,473~~ \$21,523 for fiscal year 2018, and ~~\$20,510~~ \$27,678 for fiscal year 2019 and later.

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

Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

(e) A school district's equity revenue for a school district ~~located in the metro equity region~~ with any of its area located within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

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

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2018 and later.

Sec. 12. Laws 2011, First Special Session chapter 11, article 4, section 8, is amended to read:

Sec. 8. EARLY REPAYMENT.

(a) A school district that received a maximum effort capital loan prior to January 1, 1997, may repay the full outstanding original principal on its capital loan prior to July 1, 2012, and the liability of the district on the loan is satisfied and discharged and interest on the loan ceases.

(b) A school district with an outstanding capital loan balance that received a maximum effort capital loan prior to January 1, 2007, may repay to the commissioner of

12.1 education by November 30, 2016, the full outstanding original principal on its capital
12.2 loan and the liability of the district on the loan is satisfied and discharged and interest
12.3 on the loan ceases.

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

12.5 Sec. 13. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
12.6 2, is amended to read:

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

12.9	6,624,310,000		
12.10	\$ <u>6,649,435,000</u>	.....	2016
12.11	6,761,574,000		
12.12	\$ <u>6,815,589,000</u>	.....	2017

12.13 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~
12.14 \$6,026,527,000 for 2016.

12.15 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
12.16 ~~\$6,122,762,000~~ \$6,174,177,000 for 2017.

12.17 Sec. 14. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
12.18 is amended to read:

12.19 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
12.20 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

12.21	15,661,000		
12.22	\$ <u>16,251,000</u>	.....	2016
12.23	15,818,000		
12.24	\$ <u>16,775,000</u>	.....	2017

12.25 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
12.26 is amended to read:

12.27 Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota
12.28 Statutes, section 124D.1158:

12.29	9,731,000		
12.30	\$ <u>9,457,000</u>	.....	2016
12.31	10,361,000		
12.32	\$ <u>10,365,000</u>	.....	2017

12.33 Sec. 16. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

13.1 Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph
13.2 (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions
13.3 of Minnesota Statutes, section 124D.041, and the agreement shall not apply to Independent
13.4 School District No. 402, Hendricks.

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

13.7 **ARTICLE 2**

13.8 **EDUCATION EXCELLENCE**

13.9 Section 1. Minnesota Statutes 2014, section 13.321, is amended by adding a
13.10 subdivision to read:

13.11 Subd. 11. **Student-user privacy requirements.** Section 125B.27 governs privacy
13.12 and information practices of online educational services.

13.13 Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to read:

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

13.16 (1) language arts;

13.17 (2) mathematics;

13.18 (3) science;

13.19 (4) social studies, including history, geography, economics, and government and
13.20 citizenship;

13.21 (5) physical education;

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

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

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

14.1 (c) The department must adopt the most recent National Association of Sport and
14.2 Physical Education kindergarten through grade 12 standards and benchmarks for physical
14.3 education as the required physical education academic standards. The department may
14.4 modify and adapt the national standards to accommodate state interest. The modification
14.5 and adaptations must maintain the purpose and integrity of the national standards. The
14.6 department must make available sample assessments for school districts to assess students'
14.7 mastery of the physical education standards beginning in the 2018-2019 school year.

14.8 ~~(e)~~ (d) District efforts to develop, implement, or improve instruction or curriculum
14.9 as a result of the provisions of this section must be consistent with sections 120B.10,
14.10 120B.11, and 120B.20.

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

14.12 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of
14.13 this section and section 120B.022, must adopt statewide rules under section 14.389 for
14.14 implementing statewide rigorous core academic standards in language arts, mathematics,
14.15 science, social studies, physical education, and the arts. After the rules authorized under
14.16 this subdivision are initially adopted, the commissioner may not amend or repeal these
14.17 rules nor adopt new rules on the same topic without specific legislative authorization. The
14.18 academic standards for language arts, mathematics, and the arts must be implemented for
14.19 all students beginning in the 2003-2004 school year. The academic standards for science
14.20 and social studies must be implemented for all students beginning in the 2005-2006 school
14.21 year.

14.22 Sec. 4. Minnesota Statutes 2015 Supplement, section 120B.021, subdivision 4, is
14.23 amended to read:

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

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

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

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

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

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

15.18 (g) The commissioner must implement a review of the academic standards and
15.19 related benchmarks in physical education beginning in the 2024-2025 school year and
15.20 every ten years thereafter.

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

15.27 Sec. 5. **[120B.026] PHYSICAL EDUCATION.**

15.28 Subdivision 1. **Exclusion from class; recess.** A student may be excused from a
15.29 physical education class if the student submits written information signed by a physician
15.30 stating that physical activity will jeopardize the student's health. A student may be
15.31 excused from a physical education class if being excused meets the child's unique and
15.32 individualized needs according to the child's individualized education program, federal
15.33 504 plan, or individualized health plan. A student may be excused if a parent or guardian
15.34 requests an exemption on religious grounds. A student with a disability must be provided
15.35 with modifications or adaptations that allow physical education class to meet their needs.

16.1 Schools are strongly encouraged not to exclude students in kindergarten through grade
16.2 5 from recess due to punishment or disciplinary action.

16.3 Subd. 2. **Teachers.** Physical education must be taught by teachers who are licensed
16.4 to teach physical education. A physical education teacher shall be adequately prepared
16.5 and regularly participate in professional development activities under section 122A.60.

16.6 Sec. 6. Minnesota Statutes 2014, section 120B.232, is amended to read:

16.7 **120B.232 CHARACTER DEVELOPMENT EDUCATION.**

16.8 Subdivision 1. **Character development education.** (a) The legislature encourages
16.9 districts to integrate or offer instruction on character education including, but not limited
16.10 to, character qualities such as attentiveness, truthfulness, respect for authority, diligence,
16.11 gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and
16.12 resourcefulness. Instruction should be integrated into a district's existing programs,
16.13 curriculum, or the general school environment. The commissioner shall provide assistance
16.14 at the request of a district to develop character education curriculum and programs.

16.15 (b) Character development education under paragraph (a) may include a voluntary
16.16 elementary, middle, and high school program that incorporates the history and values of
16.17 Congressional Medal of Honor recipients and may be offered as part of the social studies,
16.18 English language arts, or other curriculum, as a schoolwide character building and veteran
16.19 awareness initiative, or as an after-school program, among other possibilities.

16.20 Subd. 1a. **Staff development; continuing education.** (a) Staff development
16.21 opportunities under section 122A.60 may include training in character development
16.22 education that incorporates the history and values of Congressional Medal of Honor
16.23 recipients under subdivision 1, paragraph (b), and is provided without cost to the interested
16.24 school or district.

16.25 (b) Local continuing education and relicensure committees or other local relicensure
16.26 committees under section 122A.18, subdivision 4, are encouraged to approve up to six
16.27 clock hours of continuing education for licensed teachers who complete the training in
16.28 character development education under paragraph (a).

16.29 Subd. 2. **Funding sources.** The commissioner must first use federal funds for
16.30 character development education programs to the extent available under United States
16.31 Code, title 20, section 7247. Districts may accept funds from private and other public
16.32 sources for character development education programs developed and implemented under
16.33 this section, including programs funded through the Congressional Medal of Honor
16.34 Foundation, among other sources.

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

17.2 Sec. 7. Minnesota Statutes 2014, section 120B.30, subdivision 2, is amended to read:

17.3 Subd. 2. **Department of Education assistance.** (a) The Department of Education
17.4 shall contract for professional and technical services according to competitive solicitation
17.5 procedures under chapter 16C for purposes of this section.

17.6 (b) A proposal submitted under this section must include disclosures containing:

17.7 (1) comprehensive information regarding test administration monitoring practices;

17.8 and

17.9 (2) data privacy safeguards for student information to be transmitted to or used
17.10 by the proposing entity.

17.11 Information provided in the proposal is not security information or trade secret information
17.12 for purposes of section 13.37.

17.13 Sec. 8. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision
17.14 to read:

17.15 Subd. 6. **Database.** The commissioner shall establish a reporting system for
17.16 teachers, administrators, and students to report service disruptions and technical
17.17 interruptions. The information reported through this system shall be maintained in a
17.18 database accessible through the department's Web site.

17.19 Sec. 9. Minnesota Statutes 2015 Supplement, section 120B.31, subdivision 4, is
17.20 amended to read:

17.21 Subd. 4. **Student performance data.** In developing policies and assessment
17.22 processes to hold schools and districts accountable for high levels of academic standards
17.23 under section 120B.021, the commissioner shall aggregate and disaggregate student
17.24 data over time to report summary student performance and growth levels and, under
17.25 section 120B.11, subdivision 2, clause (2), student learning and outcome data measured
17.26 at the school, school district, and statewide level. ~~When collecting and reporting the~~
17.27 ~~performance data,~~ The commissioner shall use the student categories identified under
17.28 the federal Elementary and Secondary Education Act, as most recently reauthorized,
17.29 to organize and report the data so that state and local policy makers can understand
17.30 the educational implications of changes in districts' demographic profiles over time,
17.31 including student categories of homelessness; ethnicity; race; home language; immigrant;
17.32 refugee status; English language learners under section 124D.59; free or reduced-price
17.33 lunch; and other categories designated by federal law, as data are available, among other

18.1 demographic factors. Any report the commissioner disseminates containing summary data
18.2 on student performance must integrate student performance and the demographic factors
18.3 that strongly correlate with that performance.

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

18.6 Sec. 10. Minnesota Statutes 2014, section 120B.31, is amended by adding a
18.7 subdivision to read:

18.8 **Subd. 6. Test preparation costs.** The department must annually compile and
18.9 publish data relating to expenditures by school districts for preparation of all assessments
18.10 administered pursuant to section 120B.30, including the costs of materials and staff time.

18.11 Sec. 11. Minnesota Statutes 2014, section 120B.35, is amended to read:

18.12 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND GROWTH.**

18.13 Subdivision 1. **School and Student indicators of growth and achievement.**

18.14 The commissioner must develop and implement a system for measuring and reporting
18.15 academic achievement and individual student growth, consistent with the statewide
18.16 educational accountability and reporting system. The system components must measure
18.17 and separately report the adequate yearly progress of schools and the growth of individual
18.18 students: students' current achievement in schools under subdivision 2; and individual
18.19 students' educational growth over time under subdivision 3. The system also must include
18.20 statewide measures of student academic growth that identify schools with high levels
18.21 of growth, and also schools with low levels of growth that need improvement. ~~When~~
18.22 ~~determining a school's effect,~~ The data must include both statewide measures of student
18.23 achievement and, to the extent annual tests are administered, indicators of achievement
18.24 growth that take into account a student's prior achievement. Indicators of achievement and
18.25 prior achievement must be based on highly reliable statewide or districtwide summative,
18.26 interim, or formative assessments. Indicators that take into account a student's prior
18.27 achievement must not be used to disregard a school's low achievement or to exclude a
18.28 school from a program to improve low achievement levels.

18.29 Subd. 2. **Federal Expectations for student academic achievement.** (a) Each
18.30 school year, a school district must determine if the student achievement levels at each
18.31 school site meet federal expectations. If student achievement levels at a school site do
18.32 not meet federal expectations and the site has not made adequate yearly progress for two
18.33 consecutive school years, beginning with the 2001-2002 school year, the district must

19.1 work with the school site to adopt a plan to raise student achievement levels to meet
19.2 federal expectations. The commissioner of education shall establish student academic
19.3 achievement levels to comply with this paragraph.

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

19.9 (c) The commissioner must:

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

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

19.13 (d) The commissioner shall establish and maintain a continuous improvement Web
19.14 site designed to make aggregated and disaggregated student growth and, under section
19.15 120B.11, subdivision 2, clause (2), student learning and outcome data on every school
19.16 and district available to parents, teachers, administrators, community members, and the
19.17 general public, consistent with this section.

19.18 Subd. 3. **State growth target; other state measures.** (a) The state's educational
19.19 assessment system measuring individual students' educational growth is based on
19.20 indicators of achievement growth that show an individual student's prior achievement.
19.21 Indicators of achievement and prior achievement must be based on highly reliable
19.22 statewide or districtwide summative, interim, or formative assessments.

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

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

19.33 (2) for all student categories, report and compare aggregated and disaggregated state
19.34 student growth and, under section 120B.11, subdivision 2, clause (2), student learning
19.35 and outcome data using the ~~nine~~ student categories identified under the federal 2001 ~~No~~
19.36 ~~Child Left Behind Act and two student gender categories of male and female, respectively,~~

20.1 ~~following appropriate reporting practices to protect nonpublic student data~~ Elementary
20.2 and Secondary Education Act, as most recently reauthorized, and, in addition to the Karen
20.3 community, other student categories as determined by the total Minnesota population
20.4 at or above the 1,000-person threshold based on the most recent decennial census,
20.5 including ethnicity; race; refugee status; English language learners under section 124D.59;
20.6 home language; free or reduced-price lunch; immigrant; and all students enrolled in a
20.7 Minnesota public school who are currently or were previously in foster care, except that
20.8 such disaggregation and cross tabulation is not required if the number of students in a
20.9 category is insufficient to yield statistically reliable information or the results would reveal
20.10 personally identifiable information about an individual student.

20.11 The commissioner must report measures of student growth and, under section
20.12 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with
20.13 this paragraph, including the English language development, academic progress, and oral
20.14 academic development of English learners and their native language development if the
20.15 native language is used as a language of instruction, and include data on all pupils enrolled
20.16 in a Minnesota public school course or program who are currently or were previously
20.17 counted as an English learner under section 124D.59.

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

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

20.27 (2) a rigorous coursework measure indicating the number and percentage of high
20.28 school graduates in the most recent school year who successfully completed one or more
20.29 college-level advanced placement, international baccalaureate, postsecondary enrollment
20.30 options including concurrent enrollment, other rigorous courses of study under section
20.31 120B.021, subdivision 1a, or industry certification courses or programs.

20.32 When reporting the core measures under clauses (1) and (2), the commissioner must also
20.33 analyze and report separate categories of information using the ~~nine~~ student categories
20.34 identified under the federal 2001 No Child Left Behind Act and two student gender
20.35 categories of male and female, respectively, ~~following appropriate reporting practices~~
20.36 ~~to protect nonpublic student data.~~ Elementary and Secondary Education Act, as most

21.1 recently reauthorized, and, in addition to the Karen community, other student categories
21.2 as determined by the total Minnesota population at or above the 1,000-person threshold
21.3 based on the most recent decennial census, including ethnicity; race; refugee status;
21.4 English language learners under section 124D.59; home language; free or reduced-price
21.5 lunch; immigrant; and all students enrolled in a Minnesota public school who are currently
21.6 or were previously enrolled in foster care, except that such disaggregation and cross
21.7 tabulation is not required if the number of students in a category is insufficient to yield
21.8 statistically reliable information or the results would reveal personally identifiable
21.9 information about an individual student.

21.10 (d) When reporting student performance under section 120B.36, subdivision 1, the
21.11 commissioner annually, beginning July 1, 2014, must report summary data on school
21.12 safety and students' engagement and connection at school. The commissioner must
21.13 also analyze and report separate categories of information using the student categories
21.14 identified under the federal Elementary and Secondary Education Act, as most recently
21.15 reauthorized, and, in addition to the Karen community, other student categories as
21.16 determined by the total Minnesota population at or above the 1,000-person threshold based
21.17 on the most recent decennial census, including ethnicity; race; English language learners
21.18 under section 124D.59; home language; free or reduced-price lunch; immigrant; refugee
21.19 status; and all students enrolled in a Minnesota public school who are currently or were
21.20 previously enrolled in foster care, except that such disaggregation and cross tabulation
21.21 is not required if the number of students in a category is insufficient to yield statistically
21.22 reliable information or the results would reveal personally identifiable information about
21.23 an individual student. The summary data under this paragraph are separate from and
21.24 must not be used for any purpose related to measuring or evaluating the performance
21.25 of classroom teachers. The commissioner, in consultation with qualified experts on
21.26 student engagement and connection and classroom teachers, must identify highly reliable
21.27 variables that generate summary data under this paragraph. The summary data may be
21.28 used at school, district, and state levels only. Any data on individuals received, collected,
21.29 or created that are used to generate the summary data under this paragraph are nonpublic
21.30 data under section 13.02, subdivision 9.

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

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

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

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

- (i) identifying at-risk and off-track student populations by grade;
- (ii) providing successful prevention and intervention strategies for at-risk students;
- (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
- (iv) improving the graduation outcomes of at-risk and off-track students.

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

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

Subd. 4. **Improving schools.** Consistent with the requirements of this section, beginning June 20, 2012, the commissioner of education must annually report to the public and the legislature best practices implemented in those schools that demonstrate high growth compared to the state growth target.

Subd. 5. **Improving graduation rates for students with emotional or behavioral disorders.** (a) A district must develop strategies in conjunction with parents of students with emotional or behavioral disorders and the county board responsible for implementing sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in school, when the district has a drop-out rate for students with an emotional or behavioral disorder in grades 9 through 12 exceeding 25 percent.

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

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

Sec. 12. Minnesota Statutes 2014, section 120B.36, as amended by Laws 2015, First Special Session chapter 3, article 2, section 8, is amended to read:

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

Subdivision 1. **School performance reports.** (a) The commissioner shall report student academic performance data under section 120B.35, ~~subdivision~~ subdivisions 2, paragraph (b), and 3; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners ~~under section 124D.59, subdivisions 2 and 2a~~ enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness₂, and district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

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

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

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

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

except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

Subd. 2. **Adequate yearly student progress and other data.** All data the department receives, collects, or creates to determine adequate yearly progress status under Public Law 107-110, section 1116, set state growth targets, and determine student growth, learning, and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. Districts must provide parents sufficiently detailed summary data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The commissioner shall annually post federal adequate yearly progress data and state student growth, learning, and outcome data to the department's public Web site no later than September 1, except that in years when adequate yearly progress reflects new performance standards, the commissioner shall post federal adequate yearly progress data and state student growth data no later than October 1.

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

Sec. 13. Minnesota Statutes 2015 Supplement, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of English learners under section 124D.59, subdivisions 2 and 2a; the weekly amount of time students in kindergarten through grade 8 are scheduled to spend in physical education class, the percent of students in kindergarten through grade 12 who receive a passing grade in physical education, and the number of required physical education credits high school students must complete to graduate; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15

for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; student homelessness and district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to reports for the 2017-2018 school year and later.

Sec. 14. Minnesota Statutes 2015 Supplement, section 122A.21, subdivision 2, is amended to read:

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

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

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

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

26.1 Licensing Division at the department must approve or disapprove the portfolio within
26.2 60 calendar days of receiving it.

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

26.11 Sec. 15. Minnesota Statutes 2015 Supplement, section 122A.415, subdivision 4,
26.12 is amended to read:

26.13 Subd. 4. **Basic alternative teacher compensation aid.** (a) The basic alternative
26.14 teacher compensation aid for a school with a plan approved under section 122A.414,
26.15 subdivision 2b, equals 65 percent of the alternative teacher compensation revenue under
26.16 subdivision 1. The basic alternative teacher compensation aid for a charter school with a
26.17 plan approved under section 122A.414, subdivisions 2a and 2b, equals \$260 times the
26.18 number of pupils enrolled in the school on October 1 of the previous year, or on October
26.19 1 of the current year for a charter school in the first year of operation, times the ratio of
26.20 the sum of the alternative teacher compensation aid and alternative teacher compensation
26.21 levy for all participating school districts to the maximum alternative teacher compensation
26.22 revenue for those districts under subdivision 1.

26.23 (b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
26.24 teacher compensation aid entitlement must not exceed ~~\$88,118,000 for fiscal year 2017~~
26.25 ~~and later. The commissioner must limit the amount of alternative teacher compensation~~
26.26 ~~aid approved under this section so as not to exceed these limits~~ \$75,840,000 for fiscal year
26.27 2016. Basic alternative teacher compensation aid for an intermediate district or other
26.28 cooperative unit equals \$3,000 times the number of licensed teachers employed by the
26.29 intermediate district or cooperative unit on October 1 of the previous school year.

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

26.31 Sec. 16. Minnesota Statutes 2015 Supplement, section 122A.61, subdivision 1, is
26.32 amended to read:

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

- (1) teacher development and evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5;
- (2) principal development and evaluation under section 123B.147, subdivision 3;
- (3) professional development under section 122A.60; and
- (4) in-service education for programs under section 120B.22, subdivision 2.

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

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

Sec. 17. Minnesota Statutes 2014, section 122A.61, is amended by adding a subdivision to read:

Subd. 1a. Staff development aid for intermediate school districts and other cooperative units. (a) An intermediate school district or other cooperative unit providing instruction to students in federal instructional settings of level 4 or higher qualifies for staff development aid equal to \$675 times the full-time equivalent number of licensed instructional staff, related services staff, and nonlicensed classroom aides employed by the intermediate school district or other cooperative unit during the previous fiscal year.

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

- (1) proactive behavior management;

28.1 (2) personal safety training;
28.2 (3) de-escalation techniques;
28.3 (4) adaptation of published curriculum and pedagogy for students with complex
28.4 learning and behavioral needs; and
28.5 (5) other staff development activities specific to the population in this paragraph.
28.6 (c) The aid received under this subdivision must be reserved and spent only on
28.7 the activities specified in this subdivision.

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

28.10 Sec. 18. Minnesota Statutes 2014, section 122A.63, subdivision 1, is amended to read:

28.11 Subdivision 1. **Establishment.** (a) A grant program is established to assist American
28.12 Indian people to become teachers and to provide additional education for American Indian
28.13 teachers. The commissioner may award a joint grant to each of the following:

28.14 (1) the Duluth campus of the University of Minnesota and Independent School
28.15 District No. 709, Duluth;

28.16 (2) Bemidji State University and Independent School District No. 38, Red Lake;

28.17 (3) Moorhead State University and one of the school districts located within the
28.18 White Earth Reservation; and

28.19 (4) Augsburg College, Independent School District No. 625, St. Paul, and Special
28.20 School District No. 1, Minneapolis.

28.21 (b) If additional funds are available, the commissioner may award additional joint
28.22 grants to other postsecondary institutions and school districts.

28.23 Sec. 19. Minnesota Statutes 2014, section 123B.04, subdivision 2, is amended to read:

28.24 Subd. 2. **Agreement.** (a) The school board and a school site may enter into an
28.25 agreement under this section solely to develop and implement an individualized learning
28.26 and achievement contract under subdivision 4.

28.27 (b) Upon the request of 60 percent of the licensed employees of a site or a school
28.28 site decision-making team, the school board shall enter into discussions to reach an
28.29 agreement concerning the governance, management, or control of the school. A school
28.30 site decision-making team may include the school principal, teachers in the school or their
28.31 designee, other employees in the school, representatives of pupils in the school, or other
28.32 members in the community. A school site decision-making team must include at least one
28.33 parent of a pupil in the school. For purposes of formation of a new site, a school site
28.34 decision-making team may be a team of teachers that is recognized by the board as a site.

29.1 The school site decision-making team shall include the school principal or other person
29.2 having general control and supervision of the school. The site decision-making team
29.3 must reflect the diversity of the education site. At least one-half of the members shall be
29.4 employees of the district, unless an employee is the parent of a student enrolled in the school
29.5 site, in which case the employee may elect to serve as a parent member of the site team.

29.6 (c) School site decision-making agreements must delegate powers, duties, and
29.7 broad management responsibilities to site teams and involve staff members, students as
29.8 appropriate, and parents in decision making.

29.9 (d) An agreement shall include a statement of powers, duties, responsibilities, and
29.10 authority to be delegated to and within the site.

29.11 (e) An agreement may include:

29.12 (1) an achievement contract according to subdivision 4;

29.13 (2) a mechanism to allow principals, a site leadership team, or other persons having
29.14 general control and supervision of the school, to make decisions regarding how financial
29.15 and personnel resources are best allocated at the site and from whom goods or services
29.16 are purchased;

29.17 (3) a mechanism to implement parental involvement programs under section
29.18 124D.895 and to provide for effective parental communication and feedback on this
29.19 involvement at the site level;

29.20 (4) a provision that would allow the team to determine who is hired into licensed
29.21 and nonlicensed positions;

29.22 (5) a provision that would allow teachers to choose the principal or other person
29.23 having general control;

29.24 (6) an amount of revenue allocated to the site under subdivision 3; and

29.25 (7) any other powers and duties determined appropriate by the board.

29.26 An agreement may assign such powers, duties, and management responsibilities to
29.27 the licensed teachers at a school site to create teacher-governed schools and qualify the
29.28 district and site for a grant under subdivision 2a.

29.29 The school board of the district remains the legal employer under clauses (4) and (5).

29.30 (f) Any powers or duties not delegated to the school site management team in the
29.31 school site management agreement shall remain with the school board.

29.32 (g) Approved agreements shall be filed with the commissioner. If a school board
29.33 denies a request or the school site and school board fail to reach an agreement to enter
29.34 into a school site management agreement, the school board shall provide a copy of the
29.35 request and the reasons for its denial to the commissioner.

(h) A site decision-making grant program is established, consistent with this subdivision, to allow sites to implement an agreement that at least:

(1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable to the students at that site;

(2) includes a provision, consistent with current law and the collective bargaining agreement in effect, that allows the site team to decide who is selected from within the district for licensed and nonlicensed positions at the site and to make staff assignments in the site; and

(3) includes a completed performance agreement under subdivision 4.

The commissioner shall establish the form and manner of the application for a grant and annually, at the end of each fiscal year, report to the house of representatives and senate committees having jurisdiction over education on the progress of the program.

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

Sec. 20. Minnesota Statutes 2014, section 123B.04, is amended by adding a subdivision to read:

Subd. 2a. Teacher-governed schools. (a) Consistent with subdivision 2 allowing a school board to agree to assign powers, duties, and management responsibilities to a school site, and subject to an agreement between the interested school board and the exclusive representative of the teachers, a grant program is established to encourage licensed teachers employed at a school site to explore and develop organizational models for teaching and learning, provide curriculum and corresponding formative, interim, and summative assessments, measure and evaluate teacher performance, assign teaching positions and restructure instructional work, provide professional development to support teachers restructuring their work, allocate revenue, assert autonomy and leadership, and pursue other such policies, strategies, and activities for creating teacher-governed schools.

(b) The commissioner, after receiving the approved agreement filed by the parties under subdivision 2, paragraph (g), shall award planning and start-up grants on a first-come, first-served basis until appropriated funds are expended, distributing the grants throughout Minnesota to the extent practicable and consistent with this subdivision. Subject to the content and projected expenditures of the parties' agreement, the commissioner shall award grants to eligible districts as follows:

(1) a planning grant of up to \$20,000 during the first year of the parties' agreement; and

(2) an implementation grant of up to \$100,000 during each of the next two years of the parties' agreement.

31.1 A grant recipient that terminates an agreement before the end of a school year must return
31.2 a pro rata portion of the grant to the commissioner, the amount of which the commissioner
31.3 must determine based upon the number of school days remaining in the school year after
31.4 the agreement is terminated. Grant recipients are encouraged to seek matching funds or
31.5 in-kind contributions from nonstate sources to supplement the grant awards.

31.6 (c) A school district receiving a grant must transmit to the commissioner in an
31.7 electronic format and post on its Web site by the end of the school year readily accessible
31.8 information about recommended best practices based on its experience and progress under
31.9 this section. The commissioner must make information about these recommended best
31.10 practices readily available to interested districts and schools throughout Minnesota.

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

31.12 Sec. 21. Minnesota Statutes 2014, section 124D.091, subdivision 2, is amended to read:

31.13 Subd. 2. **Eligibility.** A district that offers a concurrent enrollment course according
31.14 to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the
31.15 costs of providing postsecondary courses at the high school. ~~Beginning in fiscal year 2011,~~
31.16 Districts only are eligible for aid if the college or university concurrent enrollment courses
31.17 offered by the district are accredited by the National Alliance of Concurrent Enrollment
31.18 Partnership, in the process of being accredited, or are shown by clear evidence to be of
31.19 comparable standard to accredited courses, or are technical courses within a recognized
31.20 career and technical education program of study approved by the commissioner of
31.21 education and the chancellor of the Minnesota State Colleges and Universities.

31.22 Sec. 22. Minnesota Statutes 2014, section 124D.091, subdivision 3, is amended to read:

31.23 Subd. 3. **Aid; tuition reimbursement.** (a) An eligible district shall receive ~~\$150~~
31.24 \$300 per pupil enrolled in a concurrent enrollment course. The money must be used
31.25 to defray the cost of delivering the course at the high school. The commissioner shall
31.26 establish application procedures and deadlines for receipt of aid payments.

31.27 (b) Notwithstanding paragraph (a), by mutual agreement of the school board and the
31.28 exclusive representative of the teachers, up to 25 percent of the aid under this subdivision
31.29 may be reserved to offset tuition paid to an accredited higher education institution for
31.30 coursework necessary for secondary teachers to meet a postsecondary institution's
31.31 accrediting body's requirements to teach concurrent enrollment courses.

31.32 (c) A teacher receiving tuition reimbursement under this subdivision must repay the
31.33 school district if the teacher does not complete the training. If 50 percent or more of a
31.34 teacher's tuition is reimbursed by the school district, the teacher must continue to teach in

32.1 the school district for two years after receiving an endorsement under section 122A.09,
32.2 subdivision 12, or repay the district for the tuition reimbursement.

32.3 Sec. 23. Minnesota Statutes 2015 Supplement, section 124D.231, subdivision 2,
32.4 is amended to read:

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

32.8 (1) the school is on a development plan for continuous improvement under section
32.9 120B.35, subdivision 2; or

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

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

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

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

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

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

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

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

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

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

33.7 (i) identification of challenges facing the school;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) early childhood:

(i) early childhood education; and

(ii) child care services;

(2) academic:

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

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

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

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

(v) specialized instructional support services;

(3) parental involvement:

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

(ii) parent leadership development activities; and

(iii) parenting education activities;

(4) mental and physical health:

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

(ii) juvenile crime prevention and rehabilitation programs;

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

(iv) developmentally appropriate physical education;

(v) nutrition services;

(vi) primary health and dental care; and

- 35.1 (vii) mental health counseling services;
- 35.2 (5) community involvement:
- 35.3 (i) service and service-learning opportunities;
- 35.4 (ii) adult education, including instruction in English as a second language; and
- 35.5 (iii) homeless prevention services;
- 35.6 (6) positive discipline practices; and
- 35.7 (7) other programming designed to meet school and community needs identified in
- 35.8 the baseline analysis and reflected in the full-service community school plan.
- 35.9 (h) The school leadership team at each school site must develop a full-service
- 35.10 community school plan detailing the steps the school leadership team will take, including:
- 35.11 (1) timely establishment and consistent operation of the school leadership team;
- 35.12 (2) maintenance of attendance records in all programming components;
- 35.13 (3) maintenance of measurable data showing annual participation and the impact
- 35.14 of programming on the participating children and adults;
- 35.15 (4) documentation of meaningful and sustained collaboration between the school
- 35.16 and community stakeholders, including local governmental units, civic engagement
- 35.17 organizations, businesses, and social service providers;
- 35.18 (5) establishment and maintenance of partnerships with institutions, such as
- 35.19 universities, hospitals, museums, or not-for-profit community organizations to further the
- 35.20 development and implementation of community school programming;
- 35.21 (6) ensuring compliance with the district nondiscrimination policy; and
- 35.22 (7) plan for school leadership team development.

35.23 Sec. 24. Minnesota Statutes 2014, section 124D.59, is amended by adding a

35.24 subdivision to read:

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

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

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

35.28 previously counted as an English learner under this section. Reported data must be

35.29 disaggregated by currently counted and previously counted English learners.

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

35.31 later.

35.32 Sec. 25. **[125B.27] STUDENT-USER PRIVACY IN EDUCATION RIGHTS.**

35.33 Subdivision 1. **Definitions.** (a) The definitions in this subdivision and section 13.32,

35.34 subdivision 1, apply to this section.

(b) "Online educational service" means a Web site, online service or application, or mobile application that a student or the student's parent or legal guardian can access via the Internet for school purposes. Online educational service includes a cloud computing service.

(c) "Operator" means, to the extent it is operating in this capacity, a person who operates an online educational service with actual knowledge that it is used primarily for school purposes and was designed and marketed for these purposes. Operator includes a vendor.

(d) "Protected information" means personally identifiable information or materials or information that is linked to personally identifiable information or materials, in any media or format that is not publicly available, and:

(1) is created or provided by a student or the student's parent or legal guardian to an operator in the course of the use of the operator's site, service, or application for school purposes;

(2) is created or provided by an employee or agent of the school to an operator in the course of the use of the operator's site, service, or application for school purposes; or

(3) is gathered by an operator through the operation of an online educational service and personally identifies a student, including but not limited to information in the student's educational record or e-mail, first and last name, home address, telephone number, e-mail address, or other information that allows physical or online contact, discipline records, test results, special education data, juvenile records, grades, evaluations, criminal records, health records, Social Security number, biometric information, disabilities, socioeconomic information, food purchases, political affiliations, religious information, text messages, documents, student identifiers, search activity, photos, voice recordings, or geolocation information.

(e) "School purposes" means purposes that (1) are directed by or customarily take place at the direction of the school, teacher, or school district or aid in the administration of school activities, including instruction in the classroom or at home, administrative activities, and collaboration between students, school personnel, or parents or legal guardians, or (2) are for the use and benefit of the school.

(f) "Student" means a student in prekindergarten through grade 12.

(g) "Vendor" means a person who enters into a contract with a school to provide an online educational service.

(h) "Targeted advertising" means presenting advertisements to a student where the advertisement is selected based on information obtained or inferred over time from that student's online behavior, usage of applications, or covered information. It does not

37.1 include advertising to a student at an online location based upon that student's current
37.2 visit to that location, or in response to that student's request for information or feedback,
37.3 without the retention of that student's online activities or requests over time for the
37.4 purpose of targeting subsequent ads.

37.5 **Subd. 2. Prohibited activities; targeted advertising; creation of student profiles;**
37.6 **sale or unauthorized disclosure of information.** (a) An operator must not engage in
37.7 any of the following activities:

37.8 (1)(i) targeted advertising on the operator's online educational service; or
37.9 (ii) targeted advertising on any other site, service, or application when the targeting
37.10 of the advertising is based upon information, including protected information and unique
37.11 identifiers, that the operator has acquired or created because of the use of that operator's
37.12 online educational service;

37.13 (2) gather, use, or share information, including persistent unique identifiers, acquired
37.14 or created by the operator's online educational service, to create a profile about a student,
37.15 except in furtherance of school purposes. "Create a profile" does not include the collection
37.16 and retention of account information that remains under the control of the student, the
37.17 student's parent or guardian, or kindergarten through grade 12 school;

37.18 (3) sell a student's information, including protected information. This prohibition
37.19 does not apply to the purchase, merger, or other type of acquisition of an operator by
37.20 another person, provided that the operator or successor continues to be subject to this
37.21 section with respect to previously acquired student information or to national assessment
37.22 providers if the provider secures the express written consent of the parent or student, given
37.23 in response to clear and conspicuous notice, solely to provide access to employment,
37.24 educational scholarships or financial aid, or postsecondary educational opportunities; or

37.25 (4) disclose protected information, unless the disclosure:

37.26 (i) is made in furtherance of the educational purpose of the site, service, or
37.27 application, provided the recipient of the protected information must not further disclose
37.28 the information unless done to allow or improve operability and functionality of the
37.29 operator's online educational service;

37.30 (ii) is legally required to comply with subdivision 3;

37.31 (iii) is made to ensure legal and regulatory compliance, to respond to or participate
37.32 in judicial process, or to protect the safety of users or others or the security or integrity
37.33 of the site;

37.34 (iv) is for a school, educational, or employment purpose requested by the student
37.35 or the student's parent or guardian, provided that the information is not used or further
37.36 disclosed for any other purposes; or

(v) is made pursuant to a contract between the operator and a service provider. A contract must prohibit the service provider from using protected information for any purpose other than providing the contracted service to, or on behalf of, the operator; prohibit the service provider from disclosing protected information provided by the operator to third parties; and require the service provider to implement and maintain reasonable security procedures and practices as provided in subdivision 3.

(b) This subdivision does not prohibit the operator's use of information for maintaining, developing, supporting, improving, or diagnosing the operator's site, service, or application.

Subd. 3. Security procedures and practices. An operator shall:

(1) implement and maintain reasonable security procedures and practices appropriate to the nature of the protected information designed to protect that information from unauthorized access, destruction, use, modification, or disclosure; and

(2) delete a student's protected information within a reasonable period of time and in any case within 60 days if the school requests deletion of data under the control of the school.

Subd. 4. Permissible disclosures. Notwithstanding subdivision 2, paragraph (a), clause (4), an operator may use or disclose protected information of a student under the following circumstances:

(1) if other provisions of federal or state law require the operator to disclose the information and the operator complies with the requirements of federal or state law in protecting and disclosing that information;

(2) as long as no covered information is used for advertising or to create a profile on the student for purposes other than educational purposes, for legitimate research purposes:

(i) as required by state or federal law and subject to the restrictions under applicable law; or

(ii) as allowed by state or federal law and in furtherance of educational purposes or postsecondary educational purposes; and

(3) to a state or local educational agency, including schools and school districts, for school purposes as permitted by state or federal law.

Subd. 5. Use of information by operator. This section does not prohibit an operator from doing any of the following:

(1) using protected information within the operator's site, service, or application or other sites, services, or applications owned by the operator to improve educational products;

(2) using protected information that is not associated with an identified student to demonstrate the effectiveness of the operator's products or services, including marketing;

(3) sharing aggregate information that does not directly, indirectly, or in combination with other information identify a student for the development and improvement of educational sites, services, or applications;

(4) using recommendation engines to recommend to a student either of the following:

(i) additional content relating to an educational, other learning, or employment opportunity purpose within an online site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party; or

(ii) additional services relating to an educational, other learning, or employment opportunity purpose within an online site, service, or application if the recommendation is not determined in whole or in part by payment or other consideration from a third party; or

(5) responding to a student's request for information or for feedback without the information or response being determined in whole or in part by payment or other consideration from a third party.

Subd. 6. **Certain activities not affected.** (a) This section does not limit the authority of a law enforcement agency to obtain information from an operator as authorized by law or pursuant to a court order.

(b) This section does not limit the ability of an operator to use student information, including protected information, for adaptive learning or customized student learning purposes.

(c) This section does not apply to general audience Web sites, general audience online services, general audience online applications, or general audience mobile applications, even if log-in credentials created for an operator's online educational service may be used to access those general audience Web sites, services, or applications.

(d) This section does not limit Internet service providers from providing Internet connectivity to schools or students and their families.

(e) This section does not prohibit an operator of a Web site, online service, online application, or mobile application from the general marketing of educational products to parents or legal guardians so long as the marketing is not based on the use of protected information obtained by the operator through the provision of services governed by this section.

(f) This section does not impose a duty upon a provider of an electronic store, gateway, marketplace, or other means of purchasing or downloading software or applications to review or enforce compliance with this section on those applications or software.

(g) This section does not impose a duty on a provider of an interactive computer service, as defined in United States Code, title 47, section 230, to review or enforce compliance with this section by third-party content providers.

(h) This section does not impede the ability of students to download, transfer, export, or otherwise save or maintain their own data or documents.

Sec. 26. **[136A.1275] GRANTS TO STUDENT TEACHERS IN SHORTAGE AREAS.**

Subdivision 1. **Establishment.** The commissioner of the Office of Higher Education must establish a grant program for student teachers.

Subd. 2. **Eligibility.** In order to receive a grant, the applicant must:

(1) be enrolled in a Minnesota teacher preparation program at an eligible institution that would enable the applicant, upon graduation, to teach in a Minnesota school district in a shortage area. "Shortage area" has the same meaning given in section 122A.18, subdivision 4a;

(2) be a teacher candidate completing a student-teacher requirement by teaching in a shortage area; and

(3) demonstrate financial need in the form and manner prescribed by the commissioner of the Office of Higher Education.

Subd. 3. **Administration.** The office must determine the time and manner of applications. The office must determine the stipend amount based on the money available and the number of eligible applicants each academic year.

Sec. 27. Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24, is amended to read:

Section 1. INNOVATIVE DELIVERY OF EDUCATION SERVICES AND SHARING OF SCHOOL OR DISTRICT RESOURCES; PILOT PROJECT.

Subdivision 1. **Establishment; requirements for participation.** (a) A pilot project is established to improve student ~~and~~, career and college readiness, and school outcomes by allowing groups of one or more school districts or charter schools to work together or with postsecondary institutions or employers to:

(1) provide innovative education programs and activities that are consistent with Minnesota Statutes, section 124D.52, subdivision 9, governing the standard adult high school diploma, or with Minnesota Statutes, section 124D.085, governing experiential and applied learning opportunities;

(2) conduct research with rigorous methodology on these innovative education programs and activities that may include career and college readiness assessments and interim assessments that comply with the federal Every Student Succeeds Act; and

41.1 (3) share district or school and other resources, with the goal of improving students'
41.2 career and college readiness as defined under Minnesota Statutes, section 120B.30,
41.3 subdivision 1, paragraph (p), and consistent with the requirements of the world's best
41.4 workforce under Minnesota Statutes, section 120B.11.

41.5 The pilot project may last until June 30, ~~2018~~ 2021, or for up to five years, whichever is less
41.6 earlier, except that innovation partnerships formed during the period of the pilot project
41.7 may continue past June 30, ~~2018~~ 2021, with the agreement of the partnership members.

41.8 (b) To participate in this pilot project to improve student ~~and~~ school, and career and
41.9 college readiness outcomes, a group of two or more school districts or charter schools, one
41.10 or more school districts and charter schools, one or more school districts or charter schools
41.11 and postsecondary institutions, or one or more school districts or charter schools and
41.12 employers must collaborate with school staff ~~and~~ postsecondary faculty, or employees,
41.13 as appropriate, to form a partnership, prepare a plan, and complete an application to
41.14 participate in a pilot project. A school district partner must receive formal school board
41.15 approval to form a partnership and a charter school partner must receive formal approval
41.16 from its board of directors to form a partnership. The partnership must develop a plan to
41.17 provide challenging programmatic options for students, create professional development
41.18 opportunities for educators, increase student engagement and connection and challenging
41.19 learning opportunities for students, or demonstrate efficiencies in delivering financial and
41.20 other services. The plan evaluations must provide for a rigorous evaluation premised on
41.21 returns on investment, program effectiveness, or beat-the-odds analysis and may offer
41.22 career and college readiness assessments or other interim assessments.

41.23 (c) An interested partnership may structure its application and plan to:

41.24 (1) reduce duplicative assessments that educators and psychometricians identify as
41.25 less useful for informing instruction or identifying and diagnosing areas where students
41.26 require targeted interventions under Minnesota Statutes, section 120B.30, subdivision 1,
41.27 paragraphs (c), clause (2), and (d);

41.28 (2) establish expectations for career and college readiness under Minnesota Statutes,
41.29 section 120B.30, subdivision 1, paragraphs (d) and (g);

41.30 (3) use fully adaptive, on and off-grade assessments under Minnesota Statutes,
41.31 section 120B.30, subdivision 1;

41.32 (4) provide students with predictive information to enable them to successfully
41.33 explore and realize their educational, career, and college interests, aptitudes, and
41.34 aspirations under Minnesota Statutes, section 120B.125;

42.1 (5) use career and college readiness assessments or other interim or formative
42.2 assessments highly correlated with the Minnesota comprehensive assessments in reading
42.3 and math;

42.4 (6) notwithstanding Minnesota Statutes, section 120B.024, allow a student to use a
42.5 course in applied mathematics or STEM as an equivalent to algebra II; or

42.6 (7) include student assessment data under this section in the district's annual world's
42.7 best workforce report, consistent with Minnesota Statutes, section 120B.11, subdivisions 5
42.8 and 9, paragraph (a).

42.9 Notwithstanding Minnesota Statutes, section 120B.30, or any other law to the
42.10 contrary, a participating school district or charter school may use alternative assessments
42.11 under this paragraph in place of the Minnesota comprehensive assessments administered
42.12 in high school. A participating school district or charter school, whose approved program
42.13 under this section lasts longer than four years for a high school student, may count those
42.14 students in the four-year graduation rate upon completion of all state and local graduation
42.15 requirements even though the student continues in an innovative postsecondary program.

42.16 Notwithstanding other law to the contrary, a participating school district or charter school
42.17 may take attendance only once per school day so long as the district or charter school
42.18 ensures that students in attendance are not otherwise identified as truant. The plan must
42.19 establish include:

42.20 (1) collaborative educational goals and objectives;

42.21 (2) strategies and processes to implement those goals and objectives, including a
42.22 budget process with periodic expenditure reviews;

42.23 (3) valid and reliable measures to evaluate progress in realizing the goals and
42.24 objectives;

42.25 (4) an implementation timeline; and

42.26 (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee
42.27 schedules, and legal considerations needed to fully implement the plan.

42.28 A partnership may invite additional districts eligible partners to join the partnership
42.29 during the pilot project term after notifying and must notify the commissioner when
42.30 additional partners intend to join the partnership. The commissioner may reject the
42.31 addition of an eligible partner if the addition causes the state to become out of compliance
42.32 with federal requirements.

42.33 (e) (d) A school district member or a charter school member of an interested
42.34 partnership of interested districts must apply by February 1 of any year submit an
42.35 application to the education commissioner in the form and manner the commissioner
42.36 determines, consistent with the requirements of this section. The application must contain

43.1 the formal approval adopted by the school board in each district or by the charter school
43.2 board of directors to participate in the plan.

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

43.9 (f) Participating school district and charter schools must submit a biennial evaluation
43.10 by February 1 in each odd-numbered year to the chairs and the ranking minority members
43.11 of the legislative committees with primary jurisdiction over kindergarten through grade
43.12 12 education and the education commissioner that includes longitudinal data under
43.13 Minnesota Statutes, section 127A.70, subdivision 2, paragraph (b), governing SLEDs,
43.14 and is premised on return on investment, program effectiveness, or beat-the-odds analysis
43.15 in the context of students' career and college readiness.

43.16 Subd. 2. **Commissioner's role.** Interested ~~groups of school districts~~ partnerships
43.17 must submit a completed application to the commissioner by March 1 of any year in the
43.18 form and manner determined by the commissioner, consistent with the requirements of this
43.19 section. For 2016 only, the school district member or charter school member must submit
43.20 an application by July 1. The education commissioner must convene an advisory panel
43.21 composed of a teacher appointed by Education Minnesota, a school principal appointed
43.22 by the Minnesota Association of Secondary School Principals, a school board member
43.23 appointed by the Minnesota School Boards Association, a researcher appointed by the
43.24 commissioner of the Office of Higher Education, a researcher appointed by the University
43.25 of Minnesota Educational Psychology Department, and a school superintendent appointed
43.26 by the Minnesota Association of School Administrators to advise the commissioner on
43.27 applicants' qualifications to participate in this pilot project. The commissioner may
43.28 select, for the period encompassing the 2016-2017 through 2020-2021 school years, must
43.29 authorize up to six eight qualified applicants under subdivision 1 by April 1 of any year to
43.30 participate in this pilot project, ensuring seeking an equitable geographical distribution of
43.31 project participants to the extent practicable. The commissioner may approve no more
43.32 than two partnerships applying to conduct research using alternative measures in place of
43.33 the Minnesota comprehensive assessments under subdivision 1, paragraph (c), clause (7),
43.34 and those partnerships may include up to three school districts or charter schools. The
43.35 commissioner must select authorize only those applicants that fully comply with the
43.36 requirements in subdivision 1. The commissioner must terminate a project participant that

44.1 fails to effectively implement the goals and objectives contained in its application and
44.2 according to its stated timeline.

44.3 Subd. 3. **Pilot project evaluation.** Participating school districts and charter
44.4 schools must submit pilot project data to the education commissioner in the form and
44.5 manner determined by the commissioner and the legislature, consistent with this section.
44.6 Consistent with Minnesota Statutes, section 13.05, on the duties of state agencies regarding
44.7 the use and dissemination of data on individuals, the education commissioner must analyze
44.8 the data on participating districts' progress and on participating charter schools' progress
44.9 in realizing their educational goals and objectives to work together in providing provide
44.10 innovative education programs and activities and sharing share resources to improve
44.11 students' career and college readiness. The commissioner must include the analysis of
44.12 best practices in a report to the legislative committees with jurisdiction over kindergarten
44.13 through grade 12 education finance and policy on the efficacy of this pilot project. The
44.14 commissioner shall submit an interim project report by ~~February 1, 2016~~ March 30, 2019,
44.15 and must submit a final report to the legislature by February 1, ~~2019,~~ recommending
44.16 whether or not to continue or expand the pilot project 2022.

44.17 **EFFECTIVE DATE.** This section is effective the day following final enactment
44.18 and applies to those applications submitted to the commissioner after that date. Districts
44.19 already approved for an innovation zone pilot project may continue to operate under Laws
44.20 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24.

44.21 Sec. 28. Laws 2012, chapter 263, section 2, is amended to read:

44.22 Sec. 2. **APPROPRIATION.**

44.23 \$25,000 is appropriated in fiscal year 2013 from the general fund to the commissioner
44.24 of education for the review of applicants, selection of participants, and evaluation of
44.25 the pilot projects authorized in section 1. The base for the Department of Education is
44.26 increased by \$25,000 for fiscal year 2014 through fiscal year ~~2018~~ 2021.

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

44.28 Sec. 29. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
44.29 2, is amended to read:

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

45.1 ~~78,331,000~~
 45.2 \$ 78,656,000 2016
 45.3 ~~87,147,000~~
 45.4 \$ 98,159,000 2017

45.5 The 2016 appropriation includes \$7,766,000 for 2015 and ~~\$70,565,000~~ \$70,890,000
 45.6 for 2016.

45.7 The 2017 appropriation includes ~~\$7,840,000~~ \$7,876,000 for 2016 and ~~\$79,307,000~~
 45.8 \$90,283,000 for 2017.

45.9 Sec. 30. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 45.10 3, is amended to read:

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

45.13 ~~65,539,000~~
 45.14 \$ 65,439,000 2016
 45.15 ~~68,745,000~~
 45.16 \$ 69,372,000 2017

45.17 The 2016 appropriation includes \$6,382,000 for 2015 and ~~\$59,157,000~~ \$59,057,000
 45.18 for 2016.

45.19 The 2017 appropriation includes ~~\$6,573,000~~ \$6,561,000 for 2016 and ~~\$62,172,000~~
 45.20 \$62,811,000 for 2017.

45.21 Sec. 31. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 45.22 6, is amended to read:

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

45.25 \$ 6,125,000 2016
 45.26 ~~6,125,000~~
 45.27 \$ 9,125,000 2017

45.28 Any balance in the first year does not cancel but is available in the second year. The
 45.29 base appropriation for fiscal year 2018 and later years is \$5,625,000.

45.30 Sec. 32. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 45.31 9, is amended to read:

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

46.1 \$ \$4,000,000 2016

46.2 ~~\$4,000,000~~

46.3 \$ 6,250,000 2017

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

46.6 Any balance in the first year does not cancel but is available in the second year. The
46.7 base for this appropriation in fiscal year 2018 is \$5,000,000.

46.8 Sec. 33. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
46.9 12, is amended to read:

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

46.12 \$ 780,000 2016

46.13 ~~780,000~~

46.14 \$ 1,090,000 2017

46.15 Grants shall be awarded in equal amounts: ~~\$195,000~~ \$272,500 each year is for the
46.16 Southeast Asian teacher program at Concordia University, St. Paul; ~~\$195,000~~ \$272,500
46.17 each year is for the collaborative urban educator program at the University of St. Thomas;
46.18 ~~\$195,000~~ \$272,500 each year is for the Center for Excellence in Urban Teaching at
46.19 Hamline University; and ~~\$195,00~~ \$272,500 each year is for the East Africa Student to
46.20 Teacher program at Augsburg College.

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

46.22 Each institution shall prepare for the legislature, by January 15 of each year, a
46.23 detailed report regarding the funds used. The report must include the number of teachers
46.24 prepared as well as the diversity for each cohort of teachers produced. The report must
46.25 also include the graduation rate for each cohort of teacher candidates, the placement rate
46.26 for each graduating cohort of teacher candidates, and the retention rate for each graduating
46.27 cohort of teacher candidates, among other program outcomes.

46.28 Sec. 34. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
46.29 15, is amended to read:

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

46.32 \$ 351,000 2016

46.33 ~~351,000~~

46.34 \$ 701,000 2017

47.1 (a) \$260,000 ~~each year is~~ in fiscal year 2016 and \$560,000 in fiscal year 2017 are for
 47.2 the Minnesota Children's Museum. The base amount in fiscal year 2018 is \$260,000.

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

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

47.5 (d) \$50,000 each year is for the Headwaters Science Center for hands-on science,
 47.6 technology, engineering, and math (STEM) education.

47.7 Any balance in the first year does not cancel but is available in the second year.
 47.8 The base in fiscal year 2018 is \$401,000.

47.9 Sec. 35. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 47.10 19, is amended to read:

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

47.13 \$ 250,000 2016

47.14 ~~250,000~~

47.15 \$ 2,450,000 2017

47.16 This is a onetime appropriation. Up to \$100,000 each year is for administration of this
 47.17 program. Any balance in the first year does not cancel but is available in the second year.

47.18 Sec. 36. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 47.19 21, is amended to read:

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

47.22 \$ 190,000 2016

47.23 ~~190,000~~

47.24 \$ 1,250,000 2017

47.25 Sec. 37. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 47.26 24, is amended to read:

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

47.29 \$ 81,000 2016

47.30 ~~69,000~~

47.31 \$ 219,000 2017

47.32 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School
 47.33 District No. 624, White Bear Lake; and \$15,000 is for Independent School District No.
 47.34 832, Mahtomedi. In the second year, ~~\$32,000~~ \$102,000 is for H2O for Life; ~~\$22,000~~

48.1 \$70,000 is for Independent School District No. 624, White Bear Lake; and \$15,000

48.2 \$47,000 is for Independent School District No. 832, Mahtomedi.

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

48.5 Sec. 38. Laws 2015, First Special Session chapter 3, article 3, section 15, subdivision
48.6 3, is amended to read:

48.7 Subd. 3. ~~ACT test~~ **College entrance examination reimbursement.** To reimburse
48.8 districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision
48.9 1, paragraph (e), for onetime payment of their ~~ACT~~ college entrance examination fee:

48.10 \$ 3,011,000 2016

48.11 \$ 3,011,000 2017

48.12 The Department of Education must reimburse districts for their onetime payments
48.13 on behalf of students. Any balance in the first year does not cancel but is available in the
48.14 second year. This appropriation is available until October 1, 2017. For examinations taken
48.15 before July 1, 2016, the department may reimburse districts only for ACT examination fees.

48.16 Sec. 39. **AGRICULTURAL EDUCATOR GRANTS.**

48.17 Subdivision 1. **Grant program established.** A grant program is established to
48.18 support school districts in paying agricultural education teachers for work over the
48.19 summer with high school students in extended projects.

48.20 Subd. 2. **Application.** The commissioner of education shall develop the form and
48.21 method for applying for the grants. The commissioner shall develop criteria for determining
48.22 the allocation of the grants, including appropriate goals for the use of the grants.

48.23 Subd. 3. **Grant awards.** Grant funding under this section must be matched
48.24 by funding from the school district for the agricultural education teacher's summer
48.25 employment. Grant funding for each teacher is limited to the one-half share of 40 working
48.26 days.

48.27 Subd. 4. **Reports.** School districts that receive grant funds shall report to the
48.28 commissioner of education no later than December 31 of each year regarding the number
48.29 of teachers funded by the grant program and the outcomes compared to the goals
48.30 established in the grant application. The Department of Education shall develop the
48.31 criteria necessary for the reports.

48.32 Sec. 40. **EXCELLENCE IN TEACHING INCENTIVE GRANTS.**

The Board of Teaching shall award a onetime incentive grant of \$2,000 to any Minnesota teacher who achieves National Board Certification after June 30, 2016, as long as funds are available. A teacher may apply for a grant in the form and manner determined by the Board of Teaching. The grants must be awarded on a first-come, first-served basis.

Sec. 41. **OUTDOOR PLACE-BASED EDUCATION ADVISORY GROUP.**

Subdivision 1. **Definitions.** For purposes of this section, "outdoor place-based education" means the process of using the local community and outdoor environment as a starting point to teach concepts in language arts, mathematics, social studies, science, history, and other subjects across the curriculum.

Subd. 2. **Advisory group creation.** The outdoor place-based education advisory group consists of the following 14 members:

(1) the commissioner or director of the following agencies or their designees:

(i) the Department of Education;

(ii) the Department of Natural Resources; and

(iii) the Minnesota Historical Society;

(2) 11 public members who have demonstrated an interest in outdoor skills and education:

(i) one member appointed by Education Minnesota;

(ii) one member appointed by the Minnesota Rural Education Association;

(iii) one member appointed by the Minnesota School Boards Association;

(iv) one member appointed by the Minnesota Association of Charter Schools;

(v) one member appointed by the Parks and Trails Council of Minnesota;

(vi) one public member appointed by the majority leader of the senate;

(vii) one public member appointed by the minority leader of the senate;

(viii) one public member appointed by the speaker of the house;

(ix) one public member appointed by the minority leader of the house of representatives; and

(x) two public members appointed by the governor.

Subd. 3. **Advisory group duties; report required.** (a) The advisory group must develop recommendations for the design and implementation of a statewide outdoor place-based education plan for students in prekindergarten through grade 12. The advisory group must report proposed recommendations to the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy by February 15, 2017.

(b) The report required under this subdivision must, at a minimum:

50.1 (1) recommend strategies for the integration of outdoor place-based education in
50.2 each of the subject areas required for statewide accountability under Minnesota Statutes,
50.3 section 120B.021, subdivision 1, including any staff development required to support
50.4 such integration;

50.5 (2) identify grades or grade ranges in which outdoor place-based education may
50.6 have the greatest impact, given limited staff and financial resources;

50.7 (3) recommend an assessment instrument that districts may use in order to evaluate
50.8 the impact of outdoor place-based education; and

50.9 (4) estimate the financial and human resources required to implement the
50.10 recommendations on a statewide basis.

50.11 Subd. 4. **Administrative provisions.** (a) The commissioner of education or the
50.12 commissioner's designee must convene the initial meeting of the advisory group by
50.13 September 15, 2016. Upon request of the advisory group, the commissioner must provide
50.14 meeting space and administrative services for the advisory group. The members of the
50.15 advisory group must elect a chair or cochair from the members of the advisory group at
50.16 the initial meeting.

50.17 (b) Public members of the advisory group serve without compensation, but may be
50.18 reimbursed for travel expenses.

50.19 (c) The advisory group expires February 15, 2017, or upon submission of the report
50.20 required under this section, whichever is earlier.

50.21 Subd. 5. **Deadline for appointments and designations.** The appointments and
50.22 designations authorized under this section must be completed by August 15, 2016.

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

50.24 Sec. 42. **PARAPROFESSIONAL PATHWAY TO TEACHER LICENSURE.**

50.25 The commissioner of education must establish a grant program for school districts
50.26 to design, establish, and maintain a paraprofessional pathway to teacher licensure or
50.27 a grow your own new teacher program. The programs must allow a current school
50.28 district paraprofessional to pursue their teaching license while still being employed by
50.29 the school district. A school district may apply in the form and manner prescribed by
50.30 the commissioner.

50.31 Sec. 43. **SUPPORT OUR STUDENTS GRANT PROGRAM.**

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

(1) "student support services personnel" includes individuals licensed to serve as a school counselor, school psychologist, school social worker, school nurse, or chemical dependency counselor in Minnesota; and

(2) "new position" means a student support services personnel full-time or part-time position not under contract by a school at the start of the 2015-2016 school year.

Subd. 2. **Purpose.** The purpose of the support our students grant program is to:

(1) address shortages of student support services personnel within Minnesota schools;

(2) decrease caseloads for existing student support services personnel to ensure effective services;

(3) ensure that students receive effective academic guidance and integrated and comprehensive services to improve kindergarten through grade 12 school outcomes and career and college readiness;

(4) ensure that student support services personnel serve within the scope and practice of their training and licensure;

(5) fully integrate learning supports, instruction, and school management within a comprehensive approach that facilitates interdisciplinary collaboration; and

(6) improve school safety and school climate to support academic success and career and college readiness.

Subd. 3. **Grant eligibility and application.** (a) A school district, charter school, intermediate school district, or other cooperative unit is eligible to apply for a six-year matching grant under this section.

(b) The commissioner of education shall specify the form and manner of the grant application. In awarding grants, the commissioner must give priority to schools in which student support services personnel positions do not currently exist. To the extent practicable, the commissioner must award grants equally between applicants in metro counties and nonmetro counties. Additional criteria must include at least the following:

(1) existing student support services personnel caseloads;

(2) school demographics;

(3) Title 1 revenue;

(4) Minnesota student survey data;

(5) graduation rates; and

(6) postsecondary completion rates.

Subd. 4. **Allowed uses; match requirements.** A grant under this section must be used to hire a new position. A school that receives a grant must match the grant with local funds in each year of the grant. In each of the first four years of the grant, the local match equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the

local match equals \$3 for every \$1 awarded in the same year. The local match may not include federal reimbursements attributable to the new position.

Subd. 5. **Report required.** By February 1 following any fiscal year in which it received a grant, a school must submit a written report to the commissioner indicating how the new positions affected two or more of the following measures:

(1) school climate;

(2) attendance rates;

(3) academic achievement;

(4) career and college readiness; and

(5) postsecondary completion rates.

Sec. 44. **TEACHER DEVELOPMENT AND EVALUATION AID.**

(a) For fiscal year 2017 only, teacher development and evaluation aid for a school district, intermediate school district, educational cooperative, education district, or charter school with any school site that does not have an alternative professional pay system agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$400.68 times the number of full-time equivalent teachers employed on October 1 of the previous school year in each school site without an alternative professional pay system under Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, aid under this section must be reserved for teacher development and evaluation activities consistent with Minnesota Statutes, section 122A.40, subdivision 8, or 122A.41, subdivision 5. For the purposes of this section, "teacher" has the meaning given in Minnesota Statutes, section 122A.40, subdivision 1, or 122A.41, subdivision 1.

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

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

Sec. 45. **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. **Teacher development and evaluation.** For teacher development and evaluation aid:

53.1 \$ 10,000,000 2017

53.2 This is a onetime appropriation.

53.3 Subd. 3. **Support our students grants.** For support our students grants:

53.4 \$ 13,100,000 2017

53.5 This is a onetime appropriation.

53.6 Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available
53.7 until June 30, 2023. The commissioner may not allot more than \$2,600,000 of this
53.8 appropriation before July 1, 2019. Up to \$100,000 of this appropriation may be retained
53.9 by the commissioner for administration of the grant program. Any balance remaining after
53.10 June 30, 2023, shall cancel to the general fund.

53.11 Subd. 4. **Paraprofessional pathway to teacher licensure.** For grants to school
53.12 districts for grow your own new teacher programs:

53.13 \$ 2,250,000 2017

53.14 The base in fiscal year 2018 is \$2,250,000.

53.15 Subd. 5. **Minnesota Council on Economic Education.** For a grant to the
53.16 Minnesota Council on Economic Education to provide staff development to teachers
53.17 for the implementation of the state graduation standards in learning areas relating to
53.18 economic education:

53.19 \$ 250,000 2017

53.20 The commissioner, in consultation with the council, shall develop expected results
53.21 of staff development, eligibility criteria for participants, an evaluation procedure, and
53.22 guidelines for direct and in-kind contributions by the council.

53.23 This is a onetime appropriation.

53.24 Subd. 6. **Education Innovation Partners Cooperative Center.** For a matching
53.25 grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide
53.26 research-based professional development services, on-site training, and leadership
53.27 coaching to teachers and other school staff:

53.28 \$ 500,000 2017

53.29 A grant under this subdivision must be matched with money or in-kind contributions
53.30 from nonstate sources. This is a onetime appropriation.

53.31 Subd. 7. **Teacher-governed school grants.** For grants to teacher-governed schools
53.32 under Minnesota Statutes, section 123B.04, subdivision 2a:

54.1 \$ 500,000 2017

54.2 This is a onetime appropriation.

54.3 Subd. 8. **Outdoor place-based education program.** For an outdoor place-based
54.4 education literature review:

54.5 \$ 35,000 2017

54.6 The commissioner, in collaboration with outdoor place-based education providers,
54.7 shall provide for a literature review of the existing evidence of the effect of outdoor
54.8 place-based education on educational outcomes and development of core competencies
54.9 that lead to career and college success and deliver the literature review to the outdoor
54.10 place-based education advisory group no later than November 15, 2016. This is a onetime
54.11 appropriation. For purposes of this subdivision, "outdoor place-based education" means
54.12 the process of using the local community and outdoor environment as a starting point to
54.13 teach concepts in language arts, mathematics, social studies, science, history, and other
54.14 subjects across the curriculum.

54.15 Subd. 9. **Outdoor place-based education advisory group.** For the outdoor
54.16 place-based education advisory group:

54.17 \$ 50,000 2017

54.18 This is a onetime appropriation.

54.19 Subd. 10. **Staff development aid for cooperative units.** For payment of staff
54.20 development aid to intermediate school districts and other cooperative units under
54.21 Minnesota Statutes, section 122A.61, subdivision 1a:

54.22 \$ 1,493,000 2017

54.23 Subd. 11. **Student teachers in shortage areas.** For transfer to the commissioner of
54.24 the Office of Higher Education for the purpose of providing grants to student teachers in
54.25 shortage areas under Minnesota Statutes, section 136A.1275:

54.26 \$ 2,000,000 2017

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

54.28 Subd. 12. **Singing-based pilot program to improve student reading.** (a) For a
54.29 grant to pilot a research-supported, computer-based educational program that uses singing
54.30 to improve the reading ability of students in grades three to five:

54.31 \$ 300,000 2017

(b) The commissioner of education shall award a grant to a 501(c)(3) nonprofit organization to implement in at least three Minnesota school districts, charter schools, or school sites, a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades three to five. The grantee shall be responsible for selecting participating school sites; providing any required hardware and software, including software licenses, for the duration of the grant period; providing technical support, training, and staff to install required project hardware and software; providing on-site professional development and instructional monitoring and support for school staff and students; administering pre- and post-intervention reading assessments; evaluating the impact of the intervention; and other project management services as required. To the extent practicable, the grantee must select participating schools in urban, suburban, and greater Minnesota, and give priority to schools in which a high proportion of students do not read proficiently at grade level and are eligible for free or reduced-price lunch.

(c) By February 15, 2017, the grantee must submit a report detailing expenditures and outcomes of the grant to the commissioner of education and the chairs and ranking minority members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) This is a onetime appropriation.

Subd. 13. **Agricultural educator grants.** For agricultural educator grants:

\$ 250,000 2017

This is a onetime appropriation.

ARTICLE 3

CHARTER SCHOOLS

Section 1. Minnesota Statutes 2015 Supplement, section 124E.10, is amended by adding a subdivision to read:

Subd. 7. **School closures.** (a) Upon the final decision to close a charter school, whether by voluntary action of the charter school's board of directors, nonrenewal or termination of the charter contract by the authorizer, or termination of the charter contract by the commissioner, the board of directors shall appoint a school closure trustee, approved by the authorizer, within 15 business days of the final decision. The board of directors or the authorizer may require the trustee to post a bond, in a sum and nature reflective of the school's current condition and situation.

(b) The trustee must be a resident of Minnesota, possess a bachelor's or postgraduate degree in accounting, law, nonprofit management, educational administration, or other appropriate field, and have at least five years of work experience in their degree area. The trustee must submit to a state and federal criminal background check, must not have been convicted of a felony or other crime involving moral turpitude, and must not have been found liable in a civil court for fraud, breach of fiduciary duty, civil theft, or similar misconduct. The trustee must not be under investigation or pending criminal prosecution for a felony or other crime. The trustee must not have a history of wage garnishment by the Internal Revenue Service or the state and must not have filed for bankruptcy.

(c) The trustee must not have been an employee or contractor of the charter school during the previous five years and must not have an immediate family member who is an employee or contractor of the charter school or who serves on the charter school's board of directors. The trustee must be independent and have no material interest adverse to the school.

(d) The trustee shall have the responsibility to activate and execute the closure plan for the charter school outlined in the school's charter contract, including the transfer of student records required by subdivision 6, and the reporting of financial and student data to the department necessary for the release of final aid payments under section 124E.25, subdivision 1, paragraph (b). Upon the appointment of the trustee, the trustee must approve all school expenditures before payment and shall be a required signatory on all school accounts and payments made by the school. The trustee has the authority to void and seek reimbursement of any and all extraordinary payments of the school to individuals, contractors, or corporations made within 90 business days of the final decision to close. If during the closure process it is determined by the charter school's board of directors or the authorizer that the trustee is not performing the closure duties in an efficient and effective manner, the authorizer may appoint a new trustee.

(e) The trustee shall be entitled to immunity provided by common law for acts or omissions within the scope of the trustee's appointment. The trustee is not exempt from an illegal or criminal act, nor any act that is a result of malfeasance or misfeasance.

(f) A charter school closure fund shall be established and managed by the Department of Education. The Department of Education may charge the fund a management fee commensurate with the annual activity in the fund. The Department of Education must issue an annual report on the income and expenditures of the fund by September 30 to all charter schools. The fund shall be financed by a per capita pupil fee paid by all charter schools. Until the fund reaches a cap of \$200,000, the per capita pupil fee shall be \$1 per pupil annually. Upon the fund reaching the \$200,000 cap, the annual per capita pupil fee

shall equal the per pupil amount needed to maintain the fund at \$200,000. The Department of Education shall have the power to deduct the annual fee from a charter school aid payment in the month of February based on the number of pupils enrolled in charter schools on October 1 of the previous year, and transfer the funding to the charter school closure fund. When an authorizer ceases to authorize schools, the authorizer shall transfer any remaining balance from authorizer fees to the fund.

(g) Funds from the charter school closure fund may only be authorized and used for the following expenses: the cost of the external audits necessary for the school closure process; the cost of liability insurance for the school corporation during the closure process; legal costs for the dissolution of the school corporation; and the trustee's fee, negotiated upon appointment. The charter school closure fund shall not be used for any other expenses related to the closed school and may only be requested after all other school funds and assets of the closed school have been expended. No more than \$70,000 may be expended from the fund for an individual school closure process. The trustee may request funding to cover the authorized expenditures, except for the trustee's fee, which must be requested by the charter school's board of directors or the authorizer if the board of directors is nonoperative.

(h) If a charter school board of directors files for bankruptcy upon the final decision to close the school, the bankruptcy trustee appointed by the bankruptcy court shall have the authority to activate and execute the closure plan in the charter school contract.

Sec. 2. Minnesota Statutes 2014, section 127A.45, subdivision 6a, is amended to read:

Subd. 6a. **Cash flow adjustment.** The board of directors of any ~~charter school serving fewer than 200 students where the percent of students eligible for special education services equals at least 90 percent of the charter school's total enrollment~~ eligible special education charter school under section 124E.21, subdivision 2, may request that the commissioner of education accelerate the school's cash flow under this section. The commissioner must approve a properly submitted request within 30 days of its receipt. The commissioner must accelerate the school's regular special education aid payments according to the schedule in the school's request and modify the payments to the school under subdivision 3 accordingly. A school must not receive current payments of regular special education aid exceeding 90 percent of its estimated aid entitlement for the fiscal year. The commissioner must delay the special education aid payments to all other school districts and charter schools in proportion to each district or charter school's total share of regular special education aid such that the overall aid payment savings from the aid payment shift remains unchanged for any fiscal year.

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

58.3 Sec. 3. Laws 2015, First Special Session chapter 3, article 4, section 4, the effective
58.4 date, is amended to read:

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

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

58.11 Sec. 4. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2,
58.12 is amended to read:

58.13 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
58.14 Statutes, section ~~124D.11, subdivision 4~~ 124E.22:

58.15		66,787,000		
58.16	\$	<u>63,540,000</u>	.....	2016
58.17		73,603,000		
58.18	\$	<u>70,132,000</u>	.....	2017

58.19 The 2016 appropriation includes \$6,032,000 for 2015 and ~~\$60,755,000~~ \$57,508,000
58.20 for 2016.

58.21 The 2017 appropriation includes ~~\$6,750,000~~ \$6,389,000 for 2016 and ~~\$66,853,000~~
58.22 \$63,743,000 for 2017.

58.23 ARTICLE 4

58.24 SPECIAL EDUCATION

58.25 Section 1. Minnesota Statutes 2015 Supplement, section 125A.08, is amended to read:

58.26 125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

58.27 (a) At the beginning of each school year, each school district shall have in effect, for
58.28 each child with a disability, an individualized education program.

58.29 (b) As defined in this section, every district must ensure the following:

58.30 (1) all students with disabilities are provided the special instruction and services
58.31 which are appropriate to their needs. Where the individualized education program team
58.32 has determined appropriate goals and objectives based on the student's needs, including the

59.1 extent to which the student can be included in the least restrictive environment, and where
59.2 there are essentially equivalent and effective instruction, related services, or assistive
59.3 technology devices available to meet the student's needs, cost to the district may be among
59.4 the factors considered by the team in choosing how to provide the appropriate services,
59.5 instruction, or devices that are to be made part of the student's individualized education
59.6 program. The individualized education program team shall consider and may authorize
59.7 services covered by medical assistance according to section 256B.0625, subdivision 26.
59.8 When a school district makes a determination of other health disability under Minnesota
59.9 Rules, part 3525.1335, subparts 1, and 2, item A, subitem (1), the student's individualized
59.10 education program team must seek written and signed documentation by a licensed health
59.11 provider within the scope of the provider's practice of a medically diagnosed chronic or
59.12 acute health condition. The student's needs and the special education instruction and
59.13 services to be provided must be agreed upon through the development of an individualized
59.14 education program. The program must address the student's need to develop skills to
59.15 live and work as independently as possible within the community. The individualized
59.16 education program team must consider positive behavioral interventions, strategies,
59.17 and supports that address behavior needs for children. During grade 9, the program
59.18 must address the student's needs for transition from secondary services to postsecondary
59.19 education and training, employment, community participation, recreation, and leisure
59.20 and home living. In developing the program, districts must inform parents of the full
59.21 range of transitional goals and related services that should be considered. The program
59.22 must include a statement of the needed transition services, including a statement of the
59.23 interagency responsibilities or linkages or both before secondary services are concluded;
59.24 (2) children with a disability under age five and their families are provided special
59.25 instruction and services appropriate to the child's level of functioning and needs;
59.26 (3) children with a disability and their parents or guardians are guaranteed procedural
59.27 safeguards and the right to participate in decisions involving identification, assessment
59.28 including assistive technology assessment, and educational placement of children with a
59.29 disability;
59.30 (4) eligibility and needs of children with a disability are determined by an initial
59.31 evaluation or reevaluation, which may be completed using existing data under United
59.32 States Code, title 20, section 33, et seq.;
59.33 (5) to the maximum extent appropriate, children with a disability, including those
59.34 in public or private institutions or other care facilities, are educated with children who
59.35 are not disabled, and that special classes, separate schooling, or other removal of children
59.36 with a disability from the regular educational environment occurs only when and to the

60.1 extent that the nature or severity of the disability is such that education in regular classes
60.2 with the use of supplementary services cannot be achieved satisfactorily;

60.3 (6) in accordance with recognized professional standards, testing and evaluation
60.4 materials, and procedures used for the purposes of classification and placement of children
60.5 with a disability are selected and administered so as not to be racially or culturally
60.6 discriminatory; and

60.7 (7) the rights of the child are protected when the parents or guardians are not known
60.8 or not available, or the child is a ward of the state.

60.9 (c) For all paraprofessionals employed to work in programs whose role in part is
60.10 to provide direct support to students with disabilities, the school board in each district
60.11 shall ensure that:

60.12 (1) before or beginning at the time of employment, each paraprofessional must
60.13 develop sufficient knowledge and skills in emergency procedures, building orientation,
60.14 roles and responsibilities, confidentiality, vulnerability, and reportability, among other
60.15 things, to begin meeting the needs, especially disability-specific and behavioral needs, of
60.16 the students with whom the paraprofessional works;

60.17 (2) annual training opportunities are required to enable the paraprofessional to
60.18 continue to further develop the knowledge and skills that are specific to the students with
60.19 whom the paraprofessional works, including understanding disabilities, the unique and
60.20 individual needs of each student according to the student's disability and how the disability
60.21 affects the student's education and behavior, following lesson plans, and implementing
60.22 follow-up instructional procedures and activities; and

60.23 (3) a districtwide process obligates each paraprofessional to work under the ongoing
60.24 direction of a licensed teacher and, where appropriate and possible, the supervision of a
60.25 school nurse.

60.26 Sec. 2. Minnesota Statutes 2015 Supplement, section 125A.11, subdivision 1, is
60.27 amended to read:

60.28 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
60.29 later, when a school district provides special instruction and services for a pupil with
60.30 a disability as defined in section 125A.02 outside the district of residence, excluding
60.31 a pupil for whom an adjustment to special education aid is calculated according to
60.32 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
60.33 resident district must be reduced by an amount equal to (1) the actual cost of providing
60.34 special instruction and services to the pupil, including a proportionate amount for special
60.35 transportation and ~~unreimbursed building lease and debt service costs for facilities~~

61.1 ~~used primarily for special education~~, plus (2) the amount of general education revenue,
61.2 excluding local optional revenue, plus local optional aid and referendum equalization aid
61.3 attributable to that pupil, calculated using the resident district's average general education
61.4 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
61.5 revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the
61.6 amount of special education aid for children with a disability under section 125A.76
61.7 received on behalf of that child, minus (4) if the pupil receives special instruction and
61.8 services outside the regular classroom for more than 60 percent of the school day, the
61.9 amount of general education revenue and referendum equalization aid, excluding portions
61.10 attributable to district and school administration, district support services, operations and
61.11 maintenance, capital expenditures, and pupil transportation, attributable to that pupil
61.12 for the portion of time the pupil receives special instruction and services outside of the
61.13 regular classroom, calculated using the resident district's average general education
61.14 revenue and referendum equalization aid per adjusted pupil unit excluding basic skills
61.15 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving
61.16 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
61.17 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a
61.18 cooperative unit without a fiscal agent school district, the general education revenue and
61.19 referendum equalization aid attributable to a pupil must be calculated using the resident
61.20 district's average general education revenue and referendum equalization aid excluding
61.21 compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue.
61.22 Special education aid paid to the district or cooperative providing special instruction and
61.23 services for the pupil must be increased by the amount of the reduction in the aid paid
61.24 to the resident district. ~~Amounts paid to cooperatives under this subdivision and section~~
61.25 ~~127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on~~
61.26 ~~the resident school district's books of account under sections 123B.75 and 123B.76. If~~
61.27 the resident district's special education aid is insufficient to make the full adjustment, the
61.28 remaining adjustment shall be made to other state aid due to the district.

61.29 (b) Notwithstanding paragraph (a), when a charter school receiving special education
61.30 aid under section 124E.21, subdivision 3, provides special instruction and services for
61.31 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
61.32 adjustment to special education aid is calculated according to section 127A.46, subdivision
61.33 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
61.34 by an amount equal to that calculated under paragraph (a) as if the charter school received
61.35 aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education

62.1 aid paid to the charter school providing special instruction and services for the pupil must
 62.2 not be increased by the amount of the reduction in the aid paid to the resident district.

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

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

62.9 (2) a charter school where more than 30 percent of enrolled students receive special
 62.10 education and related services, a site approved under section 125A.515, an intermediate
 62.11 district, or a special education cooperative, or a school district that served as the applicant
 62.12 agency for a group of school districts for federal special education aids for fiscal year 2006
 62.13 may apply to the commissioner for authority to charge the resident district an additional
 62.14 amount to recover any remaining unreimbursed costs of serving pupils with a disability;

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

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

62.25 Sec. 3. Minnesota Statutes 2015 Supplement, section 125A.21, subdivision 3, is
 62.26 amended to read:

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

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

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

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

63.3 Sec. 4. Minnesota Statutes 2015 Supplement, section 125A.76, subdivision 2c, is
63.4 amended to read:

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

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

63.12 (c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for
63.13 a school district must not exceed the sum of the special education aid the district would
63.14 have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76
63.15 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and
63.16 127A.47, subdivision 7, and the product of the district's average daily membership served
63.17 and the special education aid increase limit.

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

63.26 (e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special
63.27 education aid for a school district, not including a charter school or cooperative unit as
63.28 defined in section 123A.24, must not be less than the lesser of (1) the district's nonfederal
63.29 special education expenditures for that fiscal year or (2) the product of the sum of the
63.30 special education aid the district would have received for fiscal year 2016 under Minnesota
63.31 Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes
63.32 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted
63.33 daily membership for the current fiscal year to the district's average daily membership for
63.34 fiscal year 2016, and the program growth factor.

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

(g) The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

Sec. 5. Minnesota Statutes 2015 Supplement, section 125A.79, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

(3) the amount of general education revenue, excluding local optional revenue, plus local optional aid, and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for

65.1 more than 60 percent of the school day for the portion of time the pupils receive special
65.2 instruction and services outside of the regular classroom, excluding portions attributable to
65.3 district and school administration, district support services, operations and maintenance,
65.4 capital expenditures, and pupil transportation.

65.5 (c) "General revenue" for a school district means the sum of the general education
65.6 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
65.7 revenue, local optional revenue, and total operating capital revenue. "General revenue"
65.8 for a charter school means the sum of the general education revenue according to section
65.9 124E.20, subdivision 1, and transportation revenue according to section 124E.23,
65.10 excluding referendum equalization aid, transportation sparsity revenue, and operating
65.11 capital revenue.

65.12 Sec. 6. Minnesota Statutes 2015 Supplement, section 127A.47, subdivision 7, is
65.13 amended to read:

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

65.18 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
65.19 education and services" means the difference between: (1) the actual cost of providing
65.20 special instruction and services, including special transportation and unreimbursed
65.21 building lease and debt service costs for facilities used primarily for special education, for
65.22 a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section
65.23 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil
65.24 receives special instruction and services outside the regular classroom for more than
65.25 60 percent of the school day, the amount of general education revenue, excluding local
65.26 optional revenue, plus local optional aid and referendum equalization aid as defined in
65.27 section 125A.11, subdivision 1, paragraph (d), attributable to that pupil for the portion of
65.28 time the pupil receives special instruction and services outside of the regular classroom,
65.29 excluding portions attributable to district and school administration, district support
65.30 services, operations and maintenance, capital expenditures, and pupil transportation,
65.31 minus (3) special education aid under section 125A.76 attributable to that pupil, that is
65.32 received by the district providing special instruction and services. For purposes of this
65.33 paragraph, general education revenue and referendum equalization aid attributable to a
65.34 pupil must be calculated using the serving district's average general education revenue
65.35 and referendum equalization aid per adjusted pupil unit.

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

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

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

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

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

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

67.1 revenue, and transportation sparsity revenue, times the number of pupil units for pupils
67.2 attending the area learning center.

67.3 Sec. 7. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2,
67.4 is amended to read:

67.5 Subd. 2. **Special education; regular.** For special education aid under Minnesota
67.6 Statutes, section 125A.75:

67.7		1,170,929,000		
67.8	\$	<u>1,183,619,000</u>	.....	2016
67.9		1,229,706,000		
67.10	\$	<u>1,247,108,000</u>	.....	2017

67.11 The 2016 appropriation includes \$137,932,000 for 2015 and ~~\$1,032,997,000~~
67.12 \$1,045,687,000 for 2016.

67.13 The 2017 appropriation includes ~~\$145,355,000~~ \$147,202,000 for 2016 and
67.14 ~~\$1,084,351,000~~ \$1,099,906,000 for 2017.

67.15 Sec. 8. **APPROPRIATIONS.**

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

67.19 Subd. 2. **Restrictive procedures work group.** To implement the recommendations
67.20 from the restrictive procedures work group under Minnesota Statutes, section 125A.0942:

67.21	\$	<u>500,000</u>	<u>2017</u>
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67.22 ARTICLE 5

67.23 FACILITIES AND TECHNOLOGY

67.24 Section 1. Minnesota Statutes 2014, section 123B.53, subdivision 5, is amended to read:

67.25 Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a
67.26 district equals the sum of the first tier equalized debt service levy and the second tier
67.27 equalized debt service levy.

67.28 (b) A district's first tier equalized debt service levy equals the district's first tier debt
67.29 service equalization revenue times the lesser of one or the ratio of:

67.30 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
67.31 the year before the year the levy is certified by the adjusted pupil units in the district for
67.32 the school year ending in the year prior to the year the levy is certified; to

68.1 (2) \$3,400 in fiscal year 2016 ~~and~~, \$4,430 in fiscal year 2017, and the greater of
68.2 \$4,430 or 55.33 percent of the initial equalizing factor in fiscal year 2018 and later.

68.3 (c) A district's second tier equalized debt service levy equals the district's second tier
68.4 debt service equalization revenue times the lesser of one or the ratio of:

68.5 (1) the quotient derived by dividing the adjusted net tax capacity of the district for
68.6 the year before the year the levy is certified by the adjusted pupil units in the district for
68.7 the school year ending in the year prior to the year the levy is certified; to

68.8 (2) \$8,000 in fiscal years 2016 and 2017, and the greater of \$8,000 or 99.91 percent
68.9 of the initial equalizing factor in fiscal year 2018 and later.

68.10 (d) For the purposes of this subdivision, the initial equalizing factor equals the
68.11 quotient derived by dividing the total adjusted net tax capacity of all school districts in the
68.12 state for the year before the year the levy is certified by the total number of adjusted pupil
68.13 units in all school districts in the state in the year before the year the levy is certified.

68.14 Sec. 2. Minnesota Statutes 2014, section 123B.535, is amended to read:

68.15 **123B.535 NATURAL DISASTER ENHANCED DEBT SERVICE**
68.16 **EQUALIZATION.**

68.17 Subdivision 1. **Definitions; eligibility.** (a) For purposes of this section, the eligible
68.18 ~~natural-disaster enhanced~~ debt service revenue of a district is defined as the amount
68.19 needed to produce between five and six percent in excess of the amount needed to meet
68.20 when due the principal and interest payments on the obligations of the district eligible
68.21 under paragraphs (b) and (c) that would otherwise qualify under section 123B.53 ~~under~~
68.22 ~~the following conditions:~~

68.23 (b) A district that has been negatively affected by a natural disaster qualifies for
68.24 enhanced debt service equalization under this section if:

68.25 (1) the district was impacted by a natural disaster event or area occurring January
68.26 1, 2005, or later, as declared by the President of the United States of America, which is
68.27 eligible for Federal Emergency Management Agency payments;

68.28 (2) the natural disaster caused \$500,000 or more in damages to school district
68.29 buildings; and

68.30 (3) the repair and replacement costs are not covered by insurance payments or
68.31 Federal Emergency Management Agency payments.

68.32 (c) A district that consolidated on or after July 1, 2016, with an approved
68.33 consolidation plat and plan under section 123A.48 that included building or remodeling
68.34 school facilities is eligible for enhanced debt service equalization under this section.

(b) (d) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

(e) (e) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

Subd. 2. **Notification.** A district eligible for ~~natural-disaster~~ enhanced debt service equalization revenue under subdivision 1 must notify the commissioner of the amount of its intended ~~natural-disaster~~ enhanced debt service revenue calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Subd. 3. **~~Natural-disaster~~ Enhanced debt service equalization revenue.** The enhanced debt service equalization revenue of a district that qualifies under subdivision 1, paragraph (b) or (c), equals the greater of zero or the eligible debt service revenue, minus the greater of zero or the difference between:

(1) the amount raised by a levy of ten percent times the adjusted net tax capacity of the district; ~~and~~

(2) ~~the district's eligible debt service revenue under section 123B.53.~~

Subd. 4. **~~Equalized natural-disaster~~ enhanced debt service levy.** A district's equalized ~~natural-disaster~~ enhanced debt service levy equals the district's ~~natural-disaster~~ enhanced debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

Subd. 5. **~~Natural-disaster~~ Enhanced debt service equalization aid.** A district's ~~natural-disaster~~ enhanced debt service equalization aid equals the difference between the district's ~~natural-disaster~~ enhanced debt service equalization revenue and the district's equalized ~~natural-disaster~~ enhanced debt service levy.

Subd. 6. **~~Natural-disaster~~ Enhanced debt service equalization aid payment schedule.** Enhanced debt service equalization aid must be paid according to section 127A.45, subdivision 10.

EFFECTIVE DATE. This section is effective for taxes payable in 2017 and later.

Sec. 3. Minnesota Statutes 2015 Supplement, section 123B.595, subdivision 1, is amended to read:

70.1 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year
70.2 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of
70.3 (i) \$193 times the district's adjusted pupil units times the lesser of one or the ratio of the
70.4 district's average building age to 35 years, plus the cost approved by the commissioner
70.5 for indoor air quality, fire alarm and suppression, and asbestos abatement projects under
70.6 section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site,
70.7 plus (ii) for a school district with an approved voluntary prekindergarten program under
70.8 section 124D.151, the cost approved by the commissioner for remodeling existing
70.9 instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the
70.10 amount the district would have qualified for under Minnesota Statutes 2014, section
70.11 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section
70.12 123B.591-, and (ii) for a school district with an approved voluntary prekindergarten
70.13 program under section 124D.151, the cost approved by the commissioner for remodeling
70.14 existing instructional space to accommodate prekindergarten instruction.

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

70.28 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals
70.29 the greater of (1) the sum of (i) \$380 times the district's adjusted pupil units times the
70.30 lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost
70.31 approved by the commissioner for indoor air quality, fire alarm and suppression, and
70.32 asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost
70.33 of \$100,000 or more per site, plus (iii) for a school district with an approved voluntary
70.34 prekindergarten program under section 124D.151, the cost approved by the commissioner
70.35 for remodeling existing instructional space to accommodate prekindergarten instruction,
70.36 or (2) the sum of (i) the amount the district would have qualified for under Minnesota

71.1 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
 71.2 Statutes 2014, section 123B.591-, and (ii) for a school district with an approved voluntary
 71.3 prekindergarten program under section 124D.151, the cost approved by the commissioner
 71.4 for remodeling existing instructional space to accommodate prekindergarten instruction.

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

71.7 Sec. 4. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 2,
 71.8 is amended to read:

71.9 Subd. 2. **Long-term maintenance equalization aid.** For long-term maintenance
 71.10 equalization aid under Minnesota Statutes, section 123B.595:

71.11 \$ 0 2016

71.12 ~~52,088,000~~

71.13 \$ 52,844,000 2017

71.14 The 2017 appropriation includes \$0 for 2016 and ~~\$52,088,000~~ \$52,844,000 for 2017.

71.15 Sec. 5. **GENERATION CONNECT AID.**

71.16 (a) For fiscal year 2017 only, generation connect aid for a school district or charter
 71.17 school equals \$10.88 times the adjusted pupil units for the school year. Aid under this
 71.18 section may be used for any allowable purpose under Minnesota Statutes, section 126C.10,
 71.19 subdivision 14, or Minnesota Statutes, section 124E.20, subdivision 2.

71.20 (b) One hundred percent of the aid in this section must be paid in fiscal year 2017.

71.21 Sec. 6. **APPROPRIATION.**

71.22 Subdivision 1. Department of Education. The sum indicated in this section is
 71.23 appropriated from the general fund to the Department of Education for the fiscal year
 71.24 designated.

71.25 Subd. 2. **Generation connect aid.** For generation connect aid:

71.26 \$ 10,104,000 2017

71.27 This is a onetime appropriation.

71.28 Subd. 3. **Regional office of career and technical education.** For a grant to
 71.29 the SW/WC Service Cooperative to establish a regional office of career and technical
 71.30 education:

71.31 \$ 70,000 2017

72.1 The regional office of career and technical education must:

72.2 (1) facilitate the development of highly trained and knowledgeable students who
 72.3 are equipped with technical and workplace skills needed by regional employers, in
 72.4 collaborative participation with three or more school districts;

72.5 (2) improve access to career and technical education programs for students who
 72.6 attend sparsely populated rural school districts by developing public/private partnerships
 72.7 with business and industry leaders and by increasing coordination of high school and
 72.8 postsecondary program options; and

72.9 (3) increase family and student awareness of the availability and benefit of career
 72.10 and technical education courses and training opportunities.

72.11 This is a onetime appropriation.

72.12 Subd. 4. **Regional career and technical education advisory committee.** For a
 72.13 grant to the SW/WC Service Cooperative for a regional career and technical education
 72.14 advisory committee:

72.15 \$ 280,000 2017

72.16 Eligible uses of this grant are:

72.17 (1) capital start-up costs for such items as determined by the committee including,
 72.18 but not limited to, a mobile welding lab, medical equipment and lab, and industrial
 72.19 kitchen equipment;

72.20 (2) informational materials for students, families, and residents of the region that
 72.21 communicate the relationship between career and technical education programs, labor
 72.22 market needs, and well-paying employment;

72.23 (3) incentive and training grants to develop career and technical education
 72.24 instructors; and

72.25 (4) transportation reimbursement grants to provide equitable opportunities
 72.26 throughout the region for students to participate in career and technical education.

72.27 This is a onetime appropriation.

72.28 **ARTICLE 6**

72.29 **EARLY CHILDHOOD EDUCATION**

72.30 Section 1. Minnesota Statutes 2014, section 124D.135, subdivision 6, is amended to
 72.31 read:

72.32 Subd. 6. **Home visiting ~~levy~~ revenue.** (a) A district that is eligible to levy for
 72.33 early childhood family education under subdivision 3 and that enters into a collaborative

73.1 agreement to provide education services and social services to families with young
73.2 children ~~may levy an amount equal to \$1.60~~ is eligible for home visiting revenue.

73.3 (b) Total home visiting revenue for a district equals \$3 times the number of people
73.4 under five years of age residing in the district on September 1 of the last school year. ~~Levy~~
73.5 Revenue under this subdivision must not be included as revenue under subdivision 1. The
73.6 revenue must be used for home visiting programs under section 124D.13, subdivision 4.

73.7 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
73.8 later.

73.9 Sec. 2. Minnesota Statutes 2014, section 124D.135, is amended by adding a
73.10 subdivision to read:

73.11 Subd. 6a. **Home visiting levy.** To obtain home visiting revenue, a district may levy
73.12 an amount not more than the product of its home visiting revenue for the fiscal year times
73.13 the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to the
73.14 home visiting equalizing factor. The home visiting equalizing factor equals \$17,250 for
73.15 fiscal year 2018 and later.

73.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
73.17 later.

73.18 Sec. 3. Minnesota Statutes 2014, section 124D.135, is amended by adding a
73.19 subdivision to read:

73.20 Subd. 6b. **Home visiting aid.** A district's home visiting aid equals its home visiting
73.21 revenue minus its home visiting levy times the ratio of the actual amount levied to the
73.22 permitted levy.

73.23 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and
73.24 later.

73.25 Sec. 4. **[124D.173] HELP ME GROW SYSTEM.**

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

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

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

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

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

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

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

74.12 (1) primary and specialty medical care providers;

74.13 (2) early childhood education and child care programs;

74.14 (3) developmental disabilities assessment and intervention programs;

74.15 (4) mental health services;

74.16 (5) family and social support programs;

74.17 (6) child advocacy and legal services;

74.18 (7) public health services and resources; and

74.19 (8) other appropriate early childhood information.

74.20 (c) The Help Me Grow system shall develop a centralized access point for parents
74.21 and professionals to obtain information, resources, and other support services.

74.22 (d) The Help Me Grow system shall collect data to increase understanding of all
74.23 aspects of the current and ongoing system under this section, including identification of
74.24 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.

74.25 Subd. 4. **Review.** The Department of Education shall annually review and by
74.26 February 1 report to the chairs and the ranking minority members of the legislative
74.27 committees with jurisdiction over early childhood education the following:

74.28 (1) outcomes achieved by this system;

74.29 (2) alignment with overall early childhood goals and objectives; and

74.30 (3) impacts on young children.

74.31 Sec. 5. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7,
74.32 is amended to read:

74.33 Subd. 7. **Parent-child home program.** For a grant to the parent-child home
74.34 program:

75.1 \$ 350,000 2016
75.2 ~~350,000~~
75.3 \$ 1,350,000 2017

75.4 The grant must be used for an evidence-based and research-validated early
75.5 childhood literacy and school readiness program for children ages 16 months to four
75.6 years at its existing suburban program location. The program must include urban and
75.7 rural program locations for fiscal years 2016 and 2017. The base for fiscal year 2018
75.8 and later is \$1,000,000.

75.9 Sec. 6. **APPROPRIATIONS.**

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

75.13 Subd. 2. **Help Me Grow.** For implementation of the Help Me Grow system under
75.14 Minnesota Statutes, section 124D.173:

75.15 \$ 1,000,000 2017

75.16 This is a onetime appropriation.

75.17 Subd. 3. **Minnesota Learning Resource Center.** For a grant to A Chance to
75.18 Grow for the Minnesota Learning Resource Center's comprehensive training program
75.19 for education professionals charged with helping children in prekindergarten programs
75.20 through grade 3 acquire basic reading and math skills:

75.21 \$ 300,000 2017

75.22 This is a onetime appropriation.

75.23 **ARTICLE 7**

75.24 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

75.25 Section 1. **AFTER-SCHOOL COMMUNITY LEARNING GRANTS.**

75.26 Subdivision 1. **Grant program established.** A competitive grant program is
75.27 established to support community-based organizations, schools, political subdivisions, or
75.28 child care centers that service young people in kindergarten through grade 12 after school
75.29 or during nonschool hours. Grants must be used to offer a broad array of enrichment
75.30 activities that promote positive youth development, including art, music, community
75.31 engagement, literacy, technology education, health, agriculture, and recreation programs.

76.1 Subd. 2. **Application.** The commissioner of education shall develop the form
76.2 and method for applying for the grants. The application must include information on
76.3 the applicant's outreach to children and youth that qualify for free or reduced-price
76.4 lunch and two-year measurable goals and activities linked to research or best practices.
76.5 The commissioner shall develop criteria for determining the allocation of the grants and
76.6 appropriate goals for the use of the grants including:

76.7 (1) increasing access to protective factors that build young people's capacity to
76.8 become productive adults, such as connections to a caring adult;

76.9 (2) developing children's skills and behaviors necessary to succeed in postsecondary
76.10 education and career opportunities; and

76.11 (3) encouraging attendance and improving performance in school.

76.12 Subd. 3. **Grant awards.** To the extent practicable, the selection of applicants
76.13 shall result in an equitable distribution of grant awards among geographic areas within
76.14 Minnesota, including rural, suburban, and urban communities. The commissioner shall
76.15 also give priority to programs that collaborate with and leverage existing community
76.16 resources that have demonstrated effectiveness.

76.17 Sec. 2. **APPROPRIATIONS.**

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

76.21 Subd. 2. **After-school community learning grants.** For after-school community
76.22 learning grants:

76.23 \$ 500,000 2017

76.24 Up to seven percent of the appropriation in each fiscal year may be used for
76.25 administration, evaluation, and technical assistance, including partnering with the
76.26 Minnesota Afterschool Network, Ignite Afterschool, and other appropriate entities to
76.27 ensure implementation of strategies statewide to ensure the provision of high quality,
76.28 research-driven learning opportunities.

76.29 This is a onetime appropriation.

ARTICLE 8**STATE AGENCIES**

Section 1. Minnesota Statutes 2014, section 120B.115, is amended to read:

120B.115 REGIONAL CENTERS OF EXCELLENCE.

(a) Regional centers of excellence are established to assist and support school boards, school districts, school sites, and charter schools in implementing research-based interventions and practices to increase the students' achievement within a region.

The centers must develop partnerships with local and regional service cooperatives, postsecondary institutions, integrated school districts, the department, children's mental health providers, or other local or regional entities interested in providing a cohesive and consistent regional delivery system that serves all schools equitably. Centers must assist school districts, school sites, and charter schools in developing similar partnerships. Center support may include assisting school districts, school sites, and charter schools with common principles of effective practice, including:

(1) defining measurable education goals under sections 120B.022, subdivisions 1a and 1b, and 120B.11, subdivision 2;

(2) implementing evidence-based practices, including applied and experiential learning, contextualized learning, competency-based curricula and assessments, and other nontraditional learning opportunities, among other practices;

(3) engaging in data-driven decision-making;

(4) providing multilayered levels of support;

(5) supporting culturally responsive teaching and learning aligning the development of academic English proficiency, state and local academic standards, and career and college readiness benchmarks;

(6) engaging parents, families, youth, and local community members in programs and activities at the school district, school site, or charter school that foster collaboration and shared accountability for the achievement of all students; and

(7) translating district forms and other information such as a multilingual glossary of commonly used education terms and phrases.

Centers must work with school site leadership teams to build the expertise and experience to implement programs that close the achievement gap, provide effective and differentiated programs and instruction for different types of English learners, including English learners with limited or interrupted formal schooling and long-term English learners under section 124D.59, subdivisions 2 and 2a, increase students' progress and growth toward career and college readiness, and increase student graduation rates.

(b) The department must assist the regional centers of excellence to meet staff, facilities, and technical needs, provide the centers with programmatic support, and work with the centers to establish a coherent statewide system of regional support, including consulting, training, and technical support, to help school boards, school districts, school sites, and charter schools effectively and efficiently implement the world's best workforce goals under section 120B.11 and other state and federal education initiatives, including secondary and postsecondary career pathways and technical education.

(c) The department must employ a literacy/dyslexia specialist at one regional center to be determined by the commissioner, and a literacy/dyslexia specialist at the department, to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders. The literacy/dyslexia specialist shall also act to increase professional awareness and instructional competencies. For purposes of this paragraph, a literacy/dyslexia specialist is a dyslexia therapist, licensed psychologist, certified psychometrist, licensed speech-language pathologist, or certified dyslexia training specialist who has a minimum of three years of field experience in screening, identifying, and treating dyslexia and related disorders. A literacy/dyslexia specialist shall be highly trained in dyslexia and related disorders, and in using scientific, evidence-based interventions and treatment, which incorporate multisensory, systematic, sequential teaching strategies in the areas of phonics, phonemic awareness, vocabulary, fluency, and comprehension.

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

Sec. 2. [122A.34] CERTIFICATE OF ADVANCED PROFESSIONAL STUDY.

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

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

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

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

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

- 79.1 (1) disciplines in which at least one geographic area of the state has a demonstrated
 79.2 shortage of fully licensed teachers; and
 79.3 (2) emerging disciplines where full licenses or licensure programs do not exist
 79.4 in Minnesota.

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

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

79.8		21,246,000		
79.9	\$	<u>21,276,000</u>	.....	2016
79.10		21,973,000		
79.11	\$	<u>28,584,000</u>	.....	2017

79.12 Of these amounts:

79.13 (1) ~~\$718,000 each year~~ \$748,000 in fiscal year 2016 and zero in fiscal year 2017 is
 79.14 for the Board of Teaching. Any balance in the first year does not cancel, but is available
 79.15 in the second year;

79.16 (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board
 79.17 of School Administrators;

79.18 (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota
 79.19 Statutes, section 120B.115;

79.20 (4) \$500,000 each year is for the School Safety Technical Assistance Center under
 79.21 Minnesota Statutes, section 127A.052;

79.22 (5) \$250,000 each year is for the School Finance Division to enhance financial
 79.23 data analysis; ~~and~~

79.24 (6) \$441,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 is for implementing
 79.25 Laws 2014, chapter 272, article 1, Minnesota's Learning for English Academic Proficiency
 79.26 and Success Act, as amended;

79.27 (7) \$2,750,000 in fiscal year 2017 only is for implementation of schoolwide
 79.28 Positive Behavioral Interventions and Supports (PBIS) in schools and districts throughout
 79.29 Minnesota to reduce the use of restrictive procedures and increase use of positive
 79.30 practices. This is a onetime appropriation;

79.31 (8) \$2,750,000 in fiscal year 2017 only is for Department of Education information
 79.32 technology enhancements and security. This is a onetime appropriation;

79.33 (9) \$250,000 in fiscal year 2017 and later is for employing literacy/dyslexia
 79.34 specialists under Minnesota Statutes, section 120B.115, paragraph (c). The commissioner
 79.35 must employ a literacy/dyslexia specialist at the department as soon as practicable, but

no later than September 1, 2016. The commissioner must employ the literacy/dyslexia specialist at one or more regional centers no later than January 1, 2017; and

(10) \$200,000 in fiscal year 2017 only is for the Children's Cabinet system redesign report to the legislature. This is a onetime appropriation.

(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 \$22,371,000. The agency's base budget in fiscal year 2019 is \$21,948,000.

Sec. 4. **SYSTEM REDESIGN; HOMELESS CHILDREN SUPPORTS.**

(a) The Children's Cabinet must create a plan for a cross-agency system that provides support for a family that is homeless, especially with children up to four years of age, to access available services. The Children's Cabinet shall create the plan in consultation with the Department of Education, the Department of Human Services, the Department of Health, the Minnesota Housing Finance Agency, and stakeholders including counties, school districts, and nonprofits. The redesigned system must address issues including:

(1) implementation methodology that addresses differences in service delivery in rural versus urban settings;

(2) a training pipeline to increase qualified staff for service providers, including staff of color;

(3) statewide entry and intake forms to assess and identify the educational and developmental needs of the child;

(4) a support plan that follows the child even after the child is no longer homeless;

(5) a common data system that allows for easier sharing of data and the plan components for each child between local entities;

(6) identifying and supporting a community outreach system;

81.1 (7) personalizing assistance for a child who is homeless and the child's family to
81.2 help the child and the family navigate systems and resources;

81.3 (8) transportation options to access services; and

81.4 (9) methods to ensure that all state-funded programs and services for a child who is
81.5 homeless are adequately staffed with personnel who are trained on the specifics of the
81.6 program and receive professional development to handle complex, intergenerational
81.7 trauma.

81.8 (b) The Children's Cabinet must report findings and recommendations regarding
81.9 the plan, along with draft legislation, to the chairs and ranking minority members of
81.10 the legislative committees having jurisdiction over early childhood through grade 12
81.11 education, housing, and human services policy by January 23, 2017.

81.12 Sec. 5. **APPROPRIATIONS; BOARD OF TEACHING.**

81.13 (a) The sums indicated in this section are appropriated from the general fund to the
81.14 Board of Teaching for the fiscal years designated:

81.15 \$ 1,500,000 2017

81.16 Of these amounts:

81.17 (1) \$302,000 in fiscal year 2017 is for implementation of certificates of advanced
81.18 professional study. The base appropriation in fiscal year 2018 and thereafter is \$50,000
81.19 each year;

81.20 (2) \$150,000 in fiscal year 2017 only is for Excellence in Teaching incentive grants.
81.21 This is a onetime appropriation and is available until expended; and

81.22 (3) \$80,000 in fiscal year 2017 and later is for a contract for an electronic statewide
81.23 school teacher and administrator job board. The job board must allow school districts
81.24 to post job openings for prekindergarten through grade 12 teaching and administrative
81.25 positions. Notwithstanding Minnesota Statutes, section 16E.0466, the board is not
81.26 required to consult with the Office of MN.IT Services nor transfer any of this appropriation
81.27 to the Office of MN.IT Services.

81.28 (b) This appropriation includes funds for information technology project services
81.29 and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information
81.30 technology costs will be incorporated into an interagency agreement and will be paid to
81.31 the Office of MN.IT Services by the Board of Teaching under the mechanism specified
81.32 in that agreement.

81.33 (c) The board's base budget for fiscal year 2018 and later is \$1,098,000.

ARTICLE 9**FORECAST ADJUSTMENTS****A. GENERAL EDUCATION**

Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 4, is amended to read:

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

	2,740,000		
\$	<u>3,051,000</u>	.....	2016
	2,932,000		
\$	<u>3,425,000</u>	.....	2017

The 2016 appropriation includes \$278,000 for 2015 and ~~\$2,462,000~~ \$2,773,000 for 2016.

The 2017 appropriation includes ~~\$273,000~~ \$308,000 for 2016 and ~~\$2,659,000~~ \$3,117,000 for 2017.

Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 5, is amended to read:

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

	292,000		
\$	<u>22,000</u>	.....	2016
	165,000		
\$	<u>0</u>	.....	2017

The 2016 appropriation includes \$22,000 for 2015 and ~~\$270,000~~ \$0 for 2016.

The 2017 appropriation includes ~~\$30,000~~ \$0 for 2016 and ~~\$135,000~~ \$0 for 2017.

Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6, is amended to read:

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

	16,881,000		
\$	<u>16,759,000</u>	.....	2016
	17,460,000		
\$	<u>17,235,000</u>	.....	2017

83.1 The 2016 appropriation includes \$1,575,000 for 2015 and ~~\$15,306,000~~ \$15,184,000
83.2 for 2016.

83.3 The 2017 appropriation includes ~~\$1,700,000~~ \$1,687,000 for 2016 and ~~\$15,760,000~~
83.4 \$15,548,000 for 2017.

83.5 Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7,
83.6 is amended to read:

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

83.9		17,654,000		
83.10	\$	<u>17,673,000</u>	.....	2016
83.11		17,792,000		
83.12	\$	<u>18,103,000</u>	.....	2017

83.13 The 2016 appropriation includes \$1,816,000 for 2015 and ~~\$15,838,000~~ \$15,857,000
83.14 for 2016.

83.15 The 2017 appropriation includes ~~\$1,759,000~~ \$1,761,000 for 2016 and ~~\$16,033,000~~
83.16 \$16,342,000 for 2017.

83.17 Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9,
83.18 is amended to read:

83.19 Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota
83.20 Statutes, section 124D.4531, subdivision 1b:

83.21		5,420,000		
83.22	\$	<u>5,922,000</u>	.....	2016
83.23		4,405,000		
83.24	\$	<u>4,262,000</u>	.....	2017

83.25 The 2016 appropriation includes \$574,000 for 2015 and ~~\$4,846,000~~ \$5,348,000
83.26 for 2016.

83.27 The 2017 appropriation includes ~~\$538,000~~ \$517,000 for 2016 and ~~\$3,867,000~~
83.28 \$3,745,000 for 2017.

83.29 **B. EDUCATION EXCELLENCE**

83.30 Sec. 6. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4,
83.31 is amended to read:

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

84.1 ~~44,552,000~~
 84.2 \$ 44,538,000 2016
 84.3 ~~45,508,000~~
 84.4 \$ 45,855,000 2017

84.5 The 2016 appropriation includes \$4,683,000 for 2015 and ~~\$39,869,000~~ \$39,855,000
 84.6 for 2016.

84.7 The 2017 appropriation includes ~~\$4,429,000~~ \$4,428,000 for 2016 and ~~\$41,079,000~~
 84.8 \$41,427,000 for 2017.

84.9 Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5,
 84.10 is amended to read:

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

84.14 ~~15,023,000~~
 84.15 \$ 14,423,000 2016
 84.16 ~~15,825,000~~
 84.17 \$ 15,193,000 2017

84.18 Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7,
 84.19 is amended to read:

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

84.22 ~~4,340,000~~
 84.23 \$ 3,539,000 2016
 84.24 ~~5,090,000~~
 84.25 \$ 3,715,000 2017

84.26 The 2016 appropriation includes \$204,000 for 2015 and ~~\$4,136,000~~ \$3,335,000
 84.27 for 2016.

84.28 The 2017 appropriation includes ~~\$459,000~~ \$370,000 for 2016 and ~~\$4,631,000~~
 84.29 \$3,345,000 for 2017.

84.30 Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision
 84.31 11, is amended to read:

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

85.1		<u>7,868,000</u>		
85.2	\$	<u>7,740,000</u>	.....	2016
85.3		<u>8,875,000</u>		
85.4	\$	<u>8,878,000</u>	.....	2017

85.5 The 2016 appropriation includes \$0 for 2015 and ~~\$7,868,000~~ \$7,740,000 for 2016.

85.6 The 2017 appropriation includes ~~\$874,000~~ \$860,000 for 2016 and ~~\$8,001,000~~

85.7 \$8,018,000 for 2017.

85.8 C. SPECIAL PROGRAMS

85.9 Sec. 10. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision

85.10 3, is amended to read:

85.11 Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based
85.12 services under Minnesota Statutes, section 125A.75, subdivision 1:

85.13		<u>361,000</u>		
85.14	\$	<u>416,000</u>	.....	2016
85.15		<u>371,000</u>		
85.16	\$	<u>435,000</u>	.....	2017

85.17 The 2016 appropriation includes \$35,000 for 2015 and ~~\$326,000~~ \$381,000 for 2016.

85.18 The 2017 appropriation includes ~~\$36,000~~ \$42,000 for 2016 and ~~\$335,000~~ \$393,000
85.19 for 2017.

85.20 Sec. 11. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision
85.21 5, is amended to read:

85.22 Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes,
85.23 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
85.24 within the district boundaries for whom no district of residence can be determined:

85.25		<u>1,406,000</u>		
85.26	\$	<u>1,307,000</u>	.....	2016
85.27		<u>1,629,000</u>		
85.28	\$	<u>1,516,000</u>	.....	2017

85.29 If the appropriation for either year is insufficient, the appropriation for the other
85.30 year is available.

85.31 **D. FACILITIES AND TECHNOLOGY**

85.32 Sec. 12. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
85.33 3, is amended to read:

86.1 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
 86.2 Statutes, section 123B.53, subdivision 6:

86.3 \$ 20,349,000 2016

86.4 ~~22,171,000~~

86.5 \$ 22,926,000 2017

86.6 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

86.7 The 2017 appropriation includes \$2,005,000 for 2016 and ~~\$20,166,000~~ \$20,921,000
 86.8 for 2017.

86.9 Sec. 13. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 86.10 6, is amended to read:

86.11 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
 86.12 Minnesota Statutes, section 123B.591, subdivision 4:

86.13 ~~3,520,000~~

86.14 \$ 3,523,000 2016

86.15 \$ 345,000 2017

86.16 The 2016 appropriation includes \$409,000 for 2015 and ~~\$3,111,000~~ \$3,114,000
 86.17 for 2016.

86.18 The 2017 appropriation includes \$345,000 for 2016 and \$0 for 2017.

86.19 Sec. 14. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision
 86.20 7, is amended to read:

86.21 Subd. 7. **Health and safety revenue.** For health and safety aid according to
 86.22 Minnesota Statutes, section 123B.57, subdivision 5:

86.23 ~~501,000~~

86.24 \$ 588,000 2016

86.25 ~~48,000~~

86.26 \$ 57,000 2017

86.27 The 2016 appropriation includes \$66,000 for 2015 and ~~\$435,000~~ \$522,000 for 2016.

86.28 The 2017 appropriation includes ~~\$48,000~~ \$57,000 for 2016 and \$0 for 2017.

86.29 E. NUTRITION

86.30 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4,
 86.31 is amended to read:

86.32 Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes,
 86.33 section 124D.118:

87.1		<u>942,000</u>		
87.2	\$	<u>788,000</u>	.....	2016
87.3		<u>942,000</u>		
87.4	\$	<u>788,000</u>	.....	2017

87.5 **F. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,**
87.6 **AND LIFELONG LEARNING**

87.7 Sec. 16. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 5,
87.8 is amended to read:

87.9 Subd. 5. **Early childhood family education aid.** For early childhood family
87.10 education aid under Minnesota Statutes, section 124D.135:

87.11		28,444,000		
87.12	\$	<u>27,948,000</u>	.....	2016
87.13		29,939,000		
87.14	\$	29,336,000	.....	2017

87.15 The 2016 appropriation includes \$2,713,000 for 2015 and ~~\$25,731,000~~ \$25,235,000

87.16 for 2016.

87.17 The 2017 appropriation includes ~~\$2,858,000~~ \$2,803,000 for 2016 and ~~\$27,081,000~~
87.18 ~~\$26,533,000~~ for 2017.

87.19 Sec. 17. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6,
87.20 is amended to read:

87.21 Subd. 6. **Developmental screening aid.** For developmental screening aid under
87.22 Minnesota Statutes, sections 121A.17 and 121A.19:

87.23		<u>3,363,000</u>		
87.24	\$	<u>3,477,000</u>	.....	2016
87.25		<u>3,369,000</u>		
87.26	\$	<u>3,488,000</u>	.....	2017

87.27 The 2016 appropriation includes \$338,000 for 2015 and ~~\$3,025,000~~ \$3,139,000

87.28 for 2016.

87.29 The 2017 appropriation includes ~~\$336,000~~ \$348,000 for 2016 and ~~\$3,033,000~~

87.30 ~~\$3,140,000~~ for 2017.

87.31 Sec. 18. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision
87.32 2, is amended to read:

87.33 Subd. 2. **Community education aid.** For community education aid under

87.34 Minnesota Statutes, section 124D.20:

88.1 ~~788,000~~
88.2 \$ 790,000 2016
88.3 ~~554,000~~
88.4 \$ 553,000 2017

88.5 The 2016 appropriation includes \$107,000 for 2015 and ~~\$681,000~~ \$683,000 for 2016.

88.6 The 2017 appropriation includes \$75,000 for 2016 and ~~\$479,000~~ \$478,000 for 2017.

88.7 Sec. 19. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision
88.8 2, is amended to read:

88.9 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
88.10 Statutes, section 124D.531:

88.11 ~~49,118,000~~
88.12 \$ 48,231,000 2016
88.13 ~~50,592,000~~
88.14 \$ 49,683,000 2017

88.15 The 2016 appropriation includes \$4,782,000 for 2015 and ~~\$44,336,000~~ \$43,449,000
88.16 for 2016.

88.17 The 2017 appropriation includes ~~\$4,926,000~~ \$4,827,000 for 2016 and ~~\$45,666,000~~
88.18 \$44,856,000 for 2017.

APPENDIX
Article locations in S1935-1

ARTICLE 1 GENERAL EDUCATION Page.Ln 2.1

ARTICLE 2 EDUCATION EXCELLENCE Page.Ln 13.7

ARTICLE 3 CHARTER SCHOOLS Page.Ln 55.23

ARTICLE 4 SPECIAL EDUCATION Page.Ln 58.23

ARTICLE 5 FACILITIES AND TECHNOLOGY Page.Ln 67.22

ARTICLE 6 EARLY CHILDHOOD EDUCATION Page.Ln 72.28

ARTICLE 7 SELF-SUFFICIENCY AND LIFELONG LEARNING Page.Ln 75.23

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ARTICLE 9 FORECAST ADJUSTMENTS Page.Ln 82.1