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**ARTICLE 1**  
**GENERAL EDUCATION**

2.12 Section 1. Minnesota Statutes 2016, section 120A.41, is amended to read:

2.13 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

2.14 (a) A school board's annual school calendar must include at least 425 hours of instruction  
2.15 for a kindergarten student without a disability, 935 hours of instruction for a student in  
2.16 grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not  
2.17 including summer school. The school calendar for all-day kindergarten must include at least  
2.18 850 hours of instruction for the school year. The school calendar for a prekindergarten  
2.19 student under section 124D.151, if offered by the district, must include at least 350 hours  
2.20 of instruction for the school year. A school board's annual calendar must include at least  
2.21 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule  
2.22 has been approved by the commissioner under section 124D.126.

2.23 (b) A school board's annual school calendar may include plans for up to five days of  
2.24 instruction provided through online instruction due to inclement weather. The inclement  
2.25 weather plans must be developed according to section 120A.414.

2.26 Sec. 2. **[120A.414] E-LEARNING DAYS.**

2.27 Subdivision 1. Days. "E-learning day" means a school day where a school offers full  
2.28 access to online instruction provided by students' individual teachers due to inclement  
2.29 weather. A school district or charter school that chooses to have e-learning days may have  
2.30 up to five e-learning days in one school year. An e-learning day is counted as a day of  
2.31 instruction and included in the hours of instruction under section 120A.41. A school district  
2.32 with an e-learning day plan may choose not to have an e-learning day if the district has not  
2.33 reached the number of snow days that would bring the district below the number of  
2.34 instructional hours required under section 120A.41.

3.1 Subd. 2. Plan. The school board must consult the exclusive representative of the teachers  
3.2 for that school regarding the district's e-learning day plan. A charter school may adopt an  
3.3 e-learning day plan after consulting with its teachers and when appropriate, must negotiate  
3.4 with the exclusive representative of the teachers. The plan must include accommodations  
3.5 for students without Internet access at home and for digital device access for families without

2.9  
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**ARTICLE 1**  
**GENERAL EDUCATION**

**FROM ARTICLE 2:**

16.1 Sec. 2. Minnesota Statutes 2016, section 120A.41, is amended to read:

16.2 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

16.3 (a) A school board's annual school calendar must include at least 425 hours of instruction  
16.4 for a kindergarten student without a disability, 935 hours of instruction for a student in  
16.5 grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not  
16.6 including summer school. The school calendar for all-day kindergarten must include at least  
16.7 850 hours of instruction for the school year. The school calendar for a prekindergarten  
16.8 student under section 124D.151, if offered by the district, must include at least 350 hours  
16.9 of instruction for the school year. A school board's annual calendar must include at least  
16.10 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule  
16.11 has been approved by the commissioner under section 124D.126.

16.12 (b) A school board's annual school calendar may include plans for up to five days of  
16.13 instruction provided through online instruction due to inclement weather. The inclement  
16.14 weather plans must be developed according to section 120A.414.

**FROM ARTICLE 2:**

16.15 Sec. 3. **[120A.414] E-LEARNING DAYS.**

16.16 Subdivision 1. Days. "E-learning day" means a school day where a school offers full  
16.17 access to online instruction provided by students' individual teachers due to inclement  
16.18 weather. A school district or charter school that chooses to have e-learning days may have  
16.19 up to five e-learning days in one school year. An e-learning day is counted as a day of  
16.20 instruction and included in the hours of instruction under section 120A.41.

16.21 Subd. 2. Plan. A school board may adopt an e-learning day plan after consulting with  
16.22 the exclusive representative of the teachers. A charter school may adopt an e-learning day  
16.23 plan after consulting with its teachers. The plan must include accommodations for students  
16.24 without Internet access at home and for digital device access for families without the  
16.25 technology or an insufficient amount of technology for the number of children in the

3.6 the technology or an insufficient amount of technology for the number of children in the  
3.7 household. A school's e-learning day plan must provide accessible options for students with  
3.8 disabilities, according to chapter 125A. The district or charter school must take into  
3.9 consideration the needs of students eligible for free or reduced-price lunch in developing  
3.10 the plan.

3.11 Subd. 3. **Annual notice.** A school district or charter school must notify parents and  
3.12 students of the e-learning day plan at the beginning of the school year.

3.13 Subd. 4. **Daily notice.** On an e-learning day declared by the school, a school district or  
3.14 charter school must notify parents and students at least two hours prior to the normal school  
3.15 start time that students need to follow the e-learning day plan for that day.

3.16 Subd. 5. **Teacher access.** Each student's teacher must be accessible both online and by  
3.17 school voice mail during normal school hours on an e-learning day to assist students and  
3.18 parents.

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

3.20 Sec. 3. Minnesota Statutes 2016, section 121A.22, subdivision 2, is amended to read:

3.21 Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that  
3.22 are:

3.23 (1) purchased without a prescription;

3.24 (2) used by a pupil who is 18 years old or older;

3.25 (3) used in connection with services for which a minor may give effective consent,  
3.26 including section 144.343, subdivision 1, and any other law;

3.27 (4) used in situations in which, in the judgment of the school personnel who are present  
3.28 or available, the risk to the pupil's life or health is of such a nature that drugs or medicine  
3.29 should be given without delay;

3.30 (5) used off the school grounds;

3.31 (6) used in connection with athletics or extra curricular activities;

4.1 (7) used in connection with activities that occur before or after the regular school day;

16.26 household. A school's e-learning day plan must provide accessible options for students with  
16.27 disabilities under chapter 125A.

16.28 Subd. 3. **Annual notice.** A school district or charter school must notify parents and  
16.29 students of the e-learning day plan at the beginning of the school year.

16.30 Subd. 4. **Daily notice.** On an e-learning day declared by the school, a school district or  
16.31 charter school must notify parents and students at least two hours prior to the normal school  
16.32 start time that students need to follow the e-learning day plan for that day.

17.1 Subd. 5. **Teacher access.** Each student's teacher must be accessible both online and by  
17.2 telephone during normal school hours on an e-learning day to assist students and parents.

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

2.11 Section 1. Minnesota Statutes 2016, section 121A.22, subdivision 2, is amended to read:

2.12 Subd. 2. **Exclusions.** In addition, this section does not apply to drugs or medicine that  
2.13 are:

2.14 (1) purchased without a prescription;

2.15 (2) used by a pupil who is 18 years old or older;

2.16 (3) used in connection with services for which a minor may give effective consent,  
2.17 including section 144.343, subdivision 1, and any other law;

2.18 (4) used in situations in which, in the judgment of the school personnel who are present  
2.19 or available, the risk to the pupil's life or health is of such a nature that drugs or medicine  
2.20 should be given without delay;

2.21 (5) used off the school grounds;

2.22 (6) used in connection with athletics or extra curricular activities;

2.23 (7) used in connection with activities that occur before or after the regular school day;

4.2 (8) provided or administered by a public health agency to prevent or control an illness  
4.3 or a disease outbreak as provided for in sections 144.05 and 144.12;

4.4 (9) prescription asthma or reactive airway disease medications self-administered by a  
4.5 pupil with an asthma inhaler, consistent with section 121A.221, if the district has received  
4.6 a written authorization from the pupil's parent permitting the pupil to self-administer the  
4.7 medication, the inhaler is properly labeled for that student, and the parent has not requested  
4.8 school personnel to administer the medication to the pupil. The parent must submit written  
4.9 authorization for the pupil to self-administer the medication each school year; or

4.10 (10) epinephrine auto-injectors, consistent with section 121A.2205, if the parent and  
4.11 prescribing medical professional annually inform the pupil's school in writing that (i) the  
4.12 pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and  
4.13 requires immediate access to epinephrine auto-injectors that the parent provides properly  
4.14 labeled to the school for the pupil as needed.

4.15 Sec. 4. Minnesota Statutes 2016, section 121A.221, is amended to read:

4.16 **121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC**  
4.17 **STUDENTS.**

4.18 (a) Consistent with section 121A.22, subdivision 2, clause (9), in a school district that  
4.19 employs a school nurse or provides school nursing services under another arrangement, the  
4.20 school nurse or other appropriate party must assess the student's knowledge and skills to  
4.21 safely possess and use an asthma inhaler in a school setting and enter into the student's  
4.22 school health record a plan to implement safe possession and use of asthma inhalers.

4.23 (b) Consistent with section 121A.22, subdivision 2, clause (9), in a school that does not  
4.24 have a school nurse or school nursing services, the student's parent or guardian must submit  
4.25 written verification from the prescribing professional that documents an assessment of the  
4.26 student's knowledge and skills to safely possess and use an asthma inhaler in a school setting  
4.27 has been completed.

4.28 Sec. 5. Minnesota Statutes 2016, section 123B.41, subdivision 2, is amended to read:

4.29 Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including  
4.30 electronic books as well as other printed materials delivered electronically, which a pupil  
4.31 uses as a text or text substitute in a particular class or program in the school regularly  
4.32 attended and a copy of which is expected to be available for the individual use of each pupil  
4.33 in this class or program. Textbook includes an online book with an annual subscription cost.

5.3 (b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks,  
5.4 the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf

2.24 (8) provided or administered by a public health agency to prevent or control an illness  
2.25 or a disease outbreak as provided for in sections 144.05 and 144.12;

2.26 (9) prescription asthma or reactive airway disease medications self-administered by a  
2.27 pupil with an asthma inhaler, consistent with section 121A.221, if the district has received  
2.28 a written authorization from the pupil's parent permitting the pupil to self-administer the  
2.29 medication, the inhaler is properly labeled for that student, and the parent has not requested  
2.30 school personnel to administer the medication to the pupil. The parent must submit written  
2.31 authorization for the pupil to self-administer the medication each school year; or

2.32 (10) epinephrine auto-injectors, consistent with section 121A.2205, if the parent and  
2.33 prescribing medical professional annually inform the pupil's school in writing that (i) the  
3.1 pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and  
3.2 requires immediate access to epinephrine auto-injectors that the parent provides properly  
3.3 labeled to the school for the pupil as needed.

3.4 Sec. 2. Minnesota Statutes 2016, section 121A.221, is amended to read:

3.5 **121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC**  
3.6 **STUDENTS.**

3.7 (a) Consistent with section 121A.22, subdivision 2, clause (9), in a school district that  
3.8 employs a school nurse or provides school nursing services under another arrangement, the  
3.9 school nurse or other appropriate party must assess the student's knowledge and skills to  
3.10 safely possess and use an asthma inhaler in a school setting and enter into the student's  
3.11 school health record a plan to implement safe possession and use of asthma inhalers.

3.12 (b) Consistent with section 121A.22, subdivision 2, clause (9), in a school that does not  
3.13 have a school nurse or school nursing services, the student's parent or guardian must submit  
3.14 written verification from the prescribing professional that documents an assessment of the  
3.15 student's knowledge and skills to safely possess and use an asthma inhaler in a school setting  
3.16 has been completed.

3.17 Sec. 3. Minnesota Statutes 2016, section 123B.41, subdivision 2, is amended to read:

3.18 Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including  
3.19 electronic books as well as other printed materials delivered electronically, which a pupil  
3.20 uses as a text or text substitute in a particular class or program in the school regularly  
3.21 attended and a copy of which is expected to be available for the individual use of each pupil  
3.22 in this class or program. Textbook includes an online book with an annual subscription cost.

3.23 (b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks,  
3.24 the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf

5.5 form, as well as electronic books and other printed materials delivered electronically,  
5.6 intended for use as a principal source of study material for a given class or a group of  
5.7 students.

5.8 (c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software  
5.9 or other educational technology" include only such secular, neutral, and nonideological  
5.10 materials as are available, used by, or of benefit to Minnesota public school pupils.

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

5.12 Sec. 6. Minnesota Statutes 2016, section 123B.41, subdivision 5a, is amended to read:

5.13 Subd. 5a. **Software or other educational technology.** For purposes of sections 123B.42  
5.14 and 123B.43, "software or other educational technology" includes software, programs,  
5.15 applications, hardware, and any other electronic educational technology. Software or other  
5.16 educational technology includes course registration fees for advanced placement courses  
5.17 delivered online.

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

7.9 Sec. 9. [123B.651] ENERGY USE REDUCTION AND REPORTING FOR PUBLIC  
7.10 SCHOOLS.

7.11 Beginning October 1, 2017, each public school or school district reporting on behalf of  
7.12 a public school must enter and maintain monthly utility consumption data into the Minnesota  
7.13 B3 Benchmarking program for all buildings under its custodial control.

7.14 Sec. 10. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

7.15 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms  
7.16 defined in this subdivision have the meanings given to them.

7.17 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
7.18 categories" means the quotient obtained by dividing:

7.19 (1) the sum of:

7.20 (i) all expenditures for transportation in the regular category, as defined in paragraph  
7.21 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

7.22 (ii) an amount equal to one year's depreciation on the district's school bus fleet and  
7.23 mobile units computed on a straight line basis at the rate of 15 percent per year for districts

3.25 form, as well as electronic books and other printed materials delivered electronically,  
3.26 intended for use as a principal source of study material for a given class or a group of  
3.27 students.

3.28 (c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software  
3.29 or other educational technology" include only such secular, neutral, and nonideological  
3.30 materials as are available, used by, or of benefit to Minnesota public school pupils.

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

4.1 Sec. 4. Minnesota Statutes 2016, section 123B.41, subdivision 5a, is amended to read:

4.2 Subd. 5a. **Software or other educational technology.** For purposes of sections 123B.42  
4.3 and 123B.43, "software or other educational technology" includes software, programs,  
4.4 applications, hardware, and any other electronic educational technology. Software or other  
4.5 educational technology includes course registration fees for advanced placement courses  
4.6 delivered online.

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

4.8 Sec. 5. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

4.9 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms  
4.10 defined in this subdivision have the meanings given to them.

4.11 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
4.12 categories" means the quotient obtained by dividing:

4.13 (1) the sum of:

4.14 (i) all expenditures for transportation in the regular category, as defined in paragraph  
4.15 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

4.16 (ii) an amount equal to one year's depreciation on the district's school bus fleet and  
4.17 mobile units computed on a straight line basis at the rate of 15 percent per year for districts

7.24 operating a program under section 124D.128 for grades 1 to 12 for all students in the district  
7.25 and 12-1/2 percent per year for other districts of the cost of the fleet, plus

7.26 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as  
7.27 defined in section 169.011, subdivision 71, which must be used a majority of the time for  
7.28 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per  
7.29 year of the cost of the type three school buses by:

8.1 (2) the number of pupils eligible for transportation in the regular category, as defined  
8.2 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause  
8.3 (2).

8.4 (b) "Transportation category" means a category of transportation service provided to  
8.5 pupils as follows:

8.6 (1) Regular transportation is:

8.7 (i) transportation to and from school during the regular school year for resident elementary  
8.8 pupils residing one mile or more from the public or nonpublic school they attend, and  
8.9 resident secondary pupils residing two miles or more from the public or nonpublic school  
8.10 they attend, excluding desegregation transportation and noon kindergarten transportation;  
8.11 but with respect to transportation of pupils to and from nonpublic schools, only to the extent  
8.12 permitted by sections 123B.84 to 123B.87;

8.13 (ii) transportation of resident pupils to and from language immersion programs;

8.14 (iii) transportation of a pupil who is a custodial parent and that pupil's child between the  
8.15 pupil's home and the child care provider and between the provider and the school, if the  
8.16 home and provider are within the attendance area of the school;

8.17 (iv) transportation to and from or board and lodging in another district, of resident pupils  
8.18 of a district without a secondary school; and

8.19 (v) transportation to and from school during the regular school year required under  
8.20 subdivision 3 for nonresident elementary pupils when the distance from the attendance area  
8.21 border to the public school is one mile or more, and for nonresident secondary pupils when  
8.22 the distance from the attendance area border to the public school is two miles or more,  
8.23 excluding desegregation transportation and noon kindergarten transportation.

8.24 For the purposes of this paragraph, a district may designate a licensed day care facility,  
8.25 school day care facility, respite care facility, the residence of a relative, or the residence of  
8.26 a person or other location chosen by the pupil's parent or guardian, or an after-school program

4.18 operating a program under section 124D.128 for grades 1 to 12 for all students in the district  
4.19 and 12-1/2 percent per year for other districts of the cost of the fleet, plus

4.20 (iii) an amount equal to one year's depreciation on the district's type III vehicles, as  
4.21 defined in section 169.011, subdivision 71, which must be used a majority of the time for  
4.22 pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per  
4.23 year of the cost of the type three school buses by:

4.24 (2) the number of pupils eligible for transportation in the regular category, as defined  
4.25 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause  
4.26 (2).

4.27 (b) "Transportation category" means a category of transportation service provided to  
4.28 pupils as follows:

4.29 (1) Regular transportation is:

4.30 (i) transportation to and from school during the regular school year for resident elementary  
4.31 pupils residing one mile or more from the public or nonpublic school they attend, and  
5.1 resident secondary pupils residing two miles or more from the public or nonpublic school  
5.2 they attend, excluding desegregation transportation and noon kindergarten transportation;  
5.3 but with respect to transportation of pupils to and from nonpublic schools, only to the extent  
5.4 permitted by sections 123B.84 to 123B.87;

5.5 (ii) transportation of resident pupils to and from language immersion programs;

5.6 (iii) transportation of a pupil who is a custodial parent and that pupil's child between the  
5.7 pupil's home and the child care provider and between the provider and the school, if the  
5.8 home and provider are within the attendance area of the school;

5.9 (iv) transportation to and from or board and lodging in another district, of resident pupils  
5.10 of a district without a secondary school; and

5.11 (v) transportation to and from school during the regular school year required under  
5.12 subdivision 3 for nonresident elementary pupils when the distance from the attendance area  
5.13 border to the public school is one mile or more, and for nonresident secondary pupils when  
5.14 the distance from the attendance area border to the public school is two miles or more,  
5.15 excluding desegregation transportation and noon kindergarten transportation.

5.16 For the purposes of this paragraph, a district may designate a licensed day care facility,  
5.17 school day care facility, respite care facility, the residence of a relative, or the residence of  
5.18 a person or other location chosen by the pupil's parent or guardian, or an after-school program

8.27 for children operated by a political subdivision of the state, as the home of a pupil for part  
8.28 or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence,  
8.29 or program is within the attendance area of the school the pupil attends.

8.30 (2) Excess transportation is:

8.31 (i) transportation to and from school during the regular school year for resident secondary  
8.32 pupils residing at least one mile but less than two miles from the public or nonpublic school  
8.33 they attend, and transportation to and from school for resident pupils residing less than one  
9.1 mile from school who are transported because of full-service school zones, extraordinary  
9.2 traffic, drug, or crime hazards; and

9.3 (ii) transportation to and from school during the regular school year required under  
9.4 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
9.5 border to the school is at least one mile but less than two miles from the public school they  
9.6 attend, and for nonresident pupils when the distance from the attendance area border to the  
9.7 school is less than one mile from the school and who are transported because of full-service  
9.8 school zones, extraordinary traffic, drug, or crime hazards.

9.9 (3) Desegregation transportation is transportation within and outside of the district during  
9.10 the regular school year of pupils to and from schools located outside their normal attendance  
9.11 areas under a plan for desegregation mandated by the commissioner or under court order.

9.12 (4) "Transportation services for pupils with disabilities" is:

9.13 (i) transportation of pupils with disabilities who cannot be transported on a regular school  
9.14 bus between home or a respite care facility and school;

9.15 (ii) necessary transportation of pupils with disabilities from home or from school to  
9.16 other buildings, including centers such as developmental achievement centers, hospitals,  
9.17 and treatment centers where special instruction or services required by sections 125A.03 to  
9.18 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
9.19 where services are provided;

9.20 (iii) necessary transportation for resident pupils with disabilities required by sections  
9.21 125A.12, and 125A.26 to 125A.48;

9.22 (iv) board and lodging for pupils with disabilities in a district maintaining special classes;

9.23 (v) transportation from one educational facility to another within the district for resident  
9.24 pupils enrolled on a shared-time basis in educational programs, and necessary transportation  
9.25 required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities

5.19 for children operated by a political subdivision of the state, as the home of a pupil for part  
5.20 or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence,  
5.21 or program is within the attendance area of the school the pupil attends.

5.22 (2) Excess transportation is:

5.23 (i) transportation to and from school during the regular school year for resident secondary  
5.24 pupils residing at least one mile but less than two miles from the public or nonpublic school  
5.25 they attend, and transportation to and from school for resident pupils residing less than one  
5.26 mile from school who are transported because of full-service school zones, extraordinary  
5.27 traffic, drug, or crime hazards; and

5.28 (ii) transportation to and from school during the regular school year required under  
5.29 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
5.30 border to the school is at least one mile but less than two miles from the public school they  
5.31 attend, and for nonresident pupils when the distance from the attendance area border to the  
5.32 school is less than one mile from the school and who are transported because of full-service  
5.33 school zones, extraordinary traffic, drug, or crime hazards.

6.1 (3) Desegregation transportation is transportation within and outside of the district during  
6.2 the regular school year of pupils to and from schools located outside their normal attendance  
6.3 areas under a plan for desegregation mandated by the commissioner or under court order.

6.4 (4) "Transportation services for pupils with disabilities" is:

6.5 (i) transportation of pupils with disabilities who cannot be transported on a regular school  
6.6 bus between home or a respite care facility and school;

6.7 (ii) necessary transportation of pupils with disabilities from home or from school to  
6.8 other buildings, including centers such as developmental achievement centers, hospitals,  
6.9 and treatment centers where special instruction or services required by sections 125A.03 to  
6.10 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
6.11 where services are provided;

6.12 (iii) necessary transportation for resident pupils with disabilities required by sections  
6.13 125A.12, and 125A.26 to 125A.48;

6.14 (iv) board and lodging for pupils with disabilities in a district maintaining special classes;

6.15 (v) transportation from one educational facility to another within the district for resident  
6.16 pupils enrolled on a shared-time basis in educational programs, and necessary transportation  
6.17 required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities

9.26 who are provided special instruction and services on a shared-time basis or if resident pupils  
9.27 are not transported, the costs of necessary travel between public and private schools or  
9.28 neutral instructional sites by essential personnel employed by the district's program for  
9.29 children with a disability;

9.30 (vi) transportation for resident pupils with disabilities to and from board and lodging  
9.31 facilities when the pupil is boarded and lodged for educational purposes;

10.1 (vii) transportation of pupils for a curricular field trip activity on a school bus equipped  
10.2 with a power lift when the power lift is required by a student's disability or section 504 plan;  
10.3 and

10.4 (viii) services described in clauses (i) to (vii), when provided for pupils with disabilities  
10.5 in conjunction with a summer instructional program that relates to the pupil's individualized  
10.6 education program or in conjunction with a learning year program established under section  
10.7 124D.128.

10.8 For purposes of computing special education initial aid under section 125A.76, the cost  
10.9 of providing transportation for children with disabilities includes (A) the additional cost of  
10.10 transporting a student in a shelter care facility as defined in section 260C.007, subdivision  
10.11 30, a homeless student from a temporary nonshelter home in another district to the school  
10.12 of origin, or a formerly homeless student from a permanent home in another district to the  
10.13 school of origin but only through the end of the academic year; and (B) depreciation on  
10.14 district-owned school buses purchased after July 1, 2005, and used primarily for  
10.15 transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii)  
10.16 and (iii). Depreciation costs included in the disabled transportation category must be excluded  
10.17 in calculating the actual expenditure per pupil transported in the regular and excess  
10.18 transportation categories according to paragraph (a). For purposes of subitem (A), a school  
10.19 district may transport a child who does not have a school of origin to the same school  
10.20 attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

10.21 (5) "Nonpublic nonregular transportation" is:

10.22 (i) transportation from one educational facility to another within the district for resident  
10.23 pupils enrolled on a shared-time basis in educational programs, excluding transportation  
10.24 for nonpublic pupils with disabilities under clause (4);

10.25 (ii) transportation within district boundaries between a nonpublic school and a public  
10.26 school or a neutral site for nonpublic school pupils who are provided pupil support services  
10.27 pursuant to section 123B.44; and

6.18 who are provided special instruction and services on a shared-time basis or if resident pupils  
6.19 are not transported, the costs of necessary travel between public and private schools or  
6.20 neutral instructional sites by essential personnel employed by the district's program for  
6.21 children with a disability;

6.22 (vi) transportation for resident pupils with disabilities to and from board and lodging  
6.23 facilities when the pupil is boarded and lodged for educational purposes;

6.24 (vii) transportation of pupils for a curricular field trip activity on a school bus equipped  
6.25 with a power lift when the power lift is required by a student's disability or section 504 plan;  
6.26 and

6.27 (viii) services described in clauses (i) to (vii), when provided for pupils with disabilities  
6.28 in conjunction with a summer instructional program that relates to the pupil's individualized  
6.29 education program or in conjunction with a learning year program established under section  
6.30 124D.128.

6.31 For purposes of computing special education initial aid under section 125A.76, the cost  
6.32 of providing transportation for children with disabilities includes (A) the additional cost of  
6.33 transporting a student in a shelter care facility as defined in section 260C.007, subdivision  
7.1 30, a homeless student from a temporary nonshelter home in another district to the school  
7.2 of origin, or a formerly homeless student from a permanent home in another district to the  
7.3 school of origin but only through the end of the academic year; and (B) depreciation on  
7.4 district-owned school buses purchased after July 1, 2005, and used primarily for  
7.5 transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii)  
7.6 and (iii). Depreciation costs included in the disabled transportation category must be excluded  
7.7 in calculating the actual expenditure per pupil transported in the regular and excess  
7.8 transportation categories according to paragraph (a). For purposes of subitem (A), a school  
7.9 district may transport a child who does not have a school of origin to the same school  
7.10 attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

7.11 (5) "Nonpublic nonregular transportation" is:

7.12 (i) transportation from one educational facility to another within the district for resident  
7.13 pupils enrolled on a shared-time basis in educational programs, excluding transportation  
7.14 for nonpublic pupils with disabilities under clause (4);

7.15 (ii) transportation within district boundaries between a nonpublic school and a public  
7.16 school or a neutral site for nonpublic school pupils who are provided pupil support services  
7.17 pursuant to section 123B.44; and

10.28 (iii) late transportation home from school or between schools within a district for  
10.29 nonpublic school pupils involved in after-school activities.

10.30 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational  
10.31 programs and services, including diagnostic testing, guidance and counseling services, and  
10.32 health services. A mobile unit located off nonpublic school premises is a neutral site as  
10.33 defined in section 123B.41, subdivision 13.

11.1 **EFFECTIVE DATE.** This section is effective retroactively from December 10, 2016.

11.2 Sec. 11. Minnesota Statutes 2016, section 124D.151, subdivision 2, is amended to read:

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

11.5 (1) provide instruction through play-based learning to foster children's social and  
11.6 emotional development, cognitive development, physical and motor development, and  
11.7 language and literacy skills, including the native language and literacy skills of English  
11.8 learners, to the extent practicable;

11.9 (2) measure each child's cognitive and social skills using a formative measure aligned  
11.10 to the state's early learning standards when the child enters and again before the child leaves  
11.11 the program, and screening and progress monitoring measures, ~~and others~~ must be  
11.12 multi-domain and an age-appropriate version from the state-approved menu of kindergarten  
11.13 entry profile measures;

11.14 (3) provide comprehensive program content including the implementation of curriculum,  
11.15 assessment, and instructional strategies aligned with the state early learning standards, and  
11.16 kindergarten through grade 3 academic standards;

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

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

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

11.24 (7) involve parents in program planning and transition planning by implementing parent  
11.25 engagement strategies that include culturally and linguistically responsive activities in

7.18 (iii) late transportation home from school or between schools within a district for  
7.19 nonpublic school pupils involved in after-school activities.

7.20 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational  
7.21 programs and services, including diagnostic testing, guidance and counseling services, and  
7.22 health services. A mobile unit located off nonpublic school premises is a neutral site as  
7.23 defined in section 123B.41, subdivision 13.

7.24 **EFFECTIVE DATE.** This section is effective retroactively from December 10, 2016.



- 11.26 prekindergarten through third grade that are aligned with early childhood family education  
11.27 under section 124D.13;
- 11.28 (8) coordinate with relevant community-based services, including physical and mental  
11.29 health and social service agencies, to ensure children have access to comprehensive services;
- 11.30 (9) coordinate with all relevant school district programs and services including early  
11.31 childhood special education, homeless food and nutrition, students experiencing  
11.32 homelessness, and English learners;
- 12.1 (10) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;
- 12.2 (11) provide high-quality coordinated professional development, training, and coaching  
12.3 for both school district and community-based early learning providers that is informed by  
12.4 a measure of adult-child interactions and enables teachers to be highly knowledgeable in  
12.5 early childhood curriculum content, assessment, native and English language development  
12.6 programs, and instruction; and
- 12.7 (12) implement strategies that support the alignment of professional development,  
12.8 instruction, assessments, and curriculum in prekindergarten through grade 3 curricula.
- 12.9 (b) A voluntary prekindergarten program must have teachers knowledgeable in early  
12.10 childhood curriculum content, assessment, native and English language programs, and  
12.11 instruction.
- 12.12 (c) Districts and charter schools must include their strategy for implementing and  
12.13 measuring the impact of their voluntary prekindergarten program under section 120B.11  
12.14 and provide results in their world's best workforce annual summary to the commissioner of  
12.15 education.
- 12.16 **EFFECTIVE DATE.** This section is effective July 1, 2017.

**FROM ARTICLE 2:**

- 12.17 Sec. 12. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:
- 12.18 Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten  
12.19 through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils  
12.20 on the current roll of the school, counted from the date of entry until withdrawal. The date  
12.21 of withdrawal shall mean the day the pupil permanently leaves the school or the date it is

- 47.14 Sec. 32. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:
- 47.15 Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten  
47.16 through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils  
47.17 on the current roll of the school, counted from the date of entry until withdrawal. The date  
47.18 of withdrawal shall mean the day the pupil permanently leaves the school or the date it is

12.22 officially known that the pupil has left or has been legally excused. However, a pupil,  
12.23 regardless of age, who has been absent from school for 15 consecutive school days during  
12.24 the regular school year or for five consecutive school days during summer school or  
12.25 intersession classes of flexible school year programs without receiving instruction in the  
12.26 home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this  
12.27 section shall be construed as waiving the compulsory attendance provisions cited in section  
12.28 120A.22. Average daily membership equals the sum for all pupils of the number of days  
12.29 of the school year each pupil is enrolled in the district's schools divided by the number of  
12.30 days the schools are in session or are providing e-learning days due to inclement weather.  
12.31 Days of summer school or intersession classes of flexible school year programs are only  
12.32 included in the computation of membership for pupils with a disability not appropriately  
12.33 served primarily in the regular classroom. A student must not be counted as more than 1.2  
13.1 pupils in average daily membership under this section. When the initial total average daily  
13.2 membership exceeds 1.2 for a pupil enrolled in more than one school district during the  
13.3 fiscal year, each district's average daily membership must be reduced proportionately.

13.4 (b) A student must not be counted as more than one pupil in average daily membership  
13.5 except for purposes of section 126C.10, subdivision 2a.

47.19 officially known that the pupil has left or has been legally excused. However, a pupil,  
47.20 regardless of age, who has been absent from school for 15 consecutive school days during  
47.21 the regular school year or for five consecutive school days during summer school or  
47.22 intersession classes of flexible school year programs without receiving instruction in the  
47.23 home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this  
47.24 section shall be construed as waiving the compulsory attendance provisions cited in section  
47.25 120A.22. Average daily membership equals the sum for all pupils of the number of days  
47.26 of the school year each pupil is enrolled in the district's schools divided by the number of  
47.27 days the schools are in session or are providing e-learning days due to inclement weather.  
47.28 Days of summer school or intersession classes of flexible school year programs are only  
47.29 included in the computation of membership for pupils with a disability not appropriately  
47.30 served primarily in the regular classroom. A student must not be counted as more than 1.2  
47.31 pupils in average daily membership under this section. When the initial total average daily  
47.32 membership exceeds 1.2 for a pupil enrolled in more than one school district during the  
47.33 fiscal year, each district's average daily membership must be reduced proportionately.

48.1 (b) A student must not be counted as more than one pupil in average daily membership  
48.2 except for purposes of section 126C.10, subdivision 2a.

7.25 Sec. 6. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:

7.26 Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten  
7.27 through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils  
7.28 on the current roll of the school, counted from the date of entry until withdrawal. The date  
7.29 of withdrawal shall mean the day the pupil permanently leaves the school or the date it is  
7.30 officially known that the pupil has left or has been legally excused. However, a pupil,  
7.31 regardless of age, who has been absent from school for 15 consecutive school days during  
7.32 the regular school year or for five consecutive school days during summer school or  
7.33 intersession classes of flexible school year programs without receiving instruction in the  
8.1 home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this  
8.2 section shall be construed as waiving the compulsory attendance provisions cited in section  
8.3 120A.22. Average daily membership equals the sum for all pupils of the number of days  
8.4 of the school year each pupil is enrolled in the district's schools divided by the number of  
8.5 days the schools are in session. Days of summer school or intersession classes of flexible  
8.6 school year programs are only included in the computation of membership for pupils with  
8.7 a disability not appropriately served primarily in the regular classroom. A student must not  
8.8 be counted as more than 1.2 pupils in average daily membership under this section and  
8.9 section 126C.10, subdivision 2a, paragraph (b). When the initial total average daily  
8.10 membership exceeds 1.2 for a pupil enrolled in more than one school district during the  
8.11 fiscal year, each district's average daily membership must be reduced proportionately.

8.12 (b) A student must not be counted as more than one pupil in average daily membership  
8.13 except for purposes of section 126C.10, subdivision 2a.

- 13.6 Sec. 13. Minnesota Statutes 2016, section 126C.10, subdivision 2, is amended to read:
- 13.7 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance  
13.8 times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year~~  
13.9 ~~2015 is \$5,831. The formula allowance for fiscal year 2016 is \$5,948. The formula allowance~~  
13.10 ~~for fiscal year 2017 and later is \$6,067. The formula allowance for fiscal year 2018 is \$6,158.~~  
13.11 ~~The formula allowance for fiscal year 2019 and later is \$6,249.~~
- 13.12 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and later.
- 13.13 Sec. 14. Minnesota Statutes 2016, section 126C.10, subdivision 3, is amended to read:
- 13.14 Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2014, the compensatory~~  
13.15 ~~education revenue for each building in the district equals the formula allowance minus \$415~~  
13.16 ~~times the compensation revenue pupil units computed according to section 126C.05,~~  
13.17 ~~subdivision 3. For fiscal year 2015 and later, The compensatory education revenue for each~~  
13.18 ~~building in the district equals the formula allowance minus \$839 times the compensation~~  
13.19 ~~revenue pupil units computed according to section 126C.05, subdivision 3. A district's~~  
13.20 ~~compensatory revenue equals the sum of its compensatory revenue for each building in the~~  
13.21 ~~district and the amounts designated under Laws 2015, First Special Session chapter 3, article~~

- 8.14 Sec. 7. Minnesota Statutes 2016, section 126C.10, subdivision 2, is amended to read:
- 8.15 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance  
8.16 times the adjusted pupil units for the school year. ~~The formula allowance for fiscal year~~  
8.17 ~~2015 is \$5,831. The formula allowance for fiscal year 2016 is \$5,948. The formula allowance~~  
8.18 ~~for fiscal year 2017 and later is \$6,067. The formula allowance for fiscal year 2018 is \$6,143.~~  
8.19 ~~The formula allowance for fiscal year 2019 and later is \$6,220.~~
- 8.20 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and later.
- 8.21 Sec. 8. Minnesota Statutes 2016, section 126C.10, subdivision 2a, is amended to read:
- 8.22 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue is equal  
8.23 to the product of \$5,117 and the sum of the adjusted pupil units of the district for each pupil  
8.24 in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05,  
8.25 subdivision 8.
- 8.26 (b) Extended time revenue for pupils placed in an on-site education program at the Prairie  
8.27 Lakes Education Center or the Lake Park School, located within the borders of Independent  
8.28 School District No. 347, Willmar, for instruction provided after the end of the preceding  
8.29 regular school year and before the beginning of the following regular school year equals  
8.30 membership hours divided by the minimum annual instructional hours in section 126C.05,  
8.31 subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05,  
8.32 subdivision 1, times \$5,117.
- 9.1 (c) A school district's extended time revenue may be used for extended day programs,  
9.2 extended week programs, summer school, vacation break academies such as spring break  
9.3 academies and summer term academies, and other programming authorized under the  
9.4 learning year program.
- 9.5 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.
- 9.6 Sec. 9. Minnesota Statutes 2016, section 126C.10, subdivision 3, is amended to read:
- 9.7 Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2014, the compensatory~~  
9.8 ~~education revenue for each building in the district equals the formula allowance minus \$415~~  
9.9 ~~times the compensation revenue pupil units computed according to section 126C.05,~~  
9.10 ~~subdivision 3. For fiscal year 2015 and later, The compensatory education revenue for each~~  
9.11 ~~building in the district equals the formula allowance for fiscal year 2017 minus \$839 times~~  
9.12 ~~the compensation revenue pupil units computed according to section 126C.05, subdivision~~  
9.13 ~~3. A district's compensatory revenue equals:~~

13.22 2, section 70, subdivision 8, for fiscal year 2017. Revenue shall be paid to the district and  
13.23 must be allocated according to section 126C.15, subdivision 2.

13.24 (b) When the district contracting with an alternative program under section 124D.69  
13.25 changes prior to the start of a school year, the compensatory revenue generated by pupils  
13.26 attending the program shall be paid to the district contracting with the alternative program  
13.27 for the current school year, and shall not be paid to the district contracting with the alternative  
13.28 program for the prior school year.

13.29 (c) When the fiscal agent district for an area learning center changes prior to the start of  
13.30 a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
13.31 current school year, and shall not be paid to the fiscal agent district for the prior school year.

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

9.14 (1) the sum of its compensatory revenue for each building in the district;

9.15 (2) the amounts computed under paragraph (b); and

9.16 (3) the amounts computed under section 126C.131.

9.17 (b) A district's additional compensatory revenue equals the amount designated under  
9.18 Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal  
9.19 year 2018. Revenue shall be paid to the district and must be allocated according to section  
9.20 126C.15, subdivision 2.

9.21 ~~(b)~~ (c) When the district contracting with an alternative program under section 124D.69  
9.22 changes prior to the start of a school year, the compensatory revenue generated by pupils  
9.23 attending the program shall be paid to the district contracting with the alternative program  
9.24 for the current school year, and shall not be paid to the district contracting with the alternative  
9.25 program for the prior school year.

9.26 ~~(c)~~ (d) When the fiscal agent district for an area learning center changes prior to the start  
9.27 of a school year, the compensatory revenue shall be paid to the fiscal agent district for the  
9.28 current school year, and shall not be paid to the fiscal agent district for the prior school year.

9.29 (e) For fiscal years 2018 to 2022 only, the amount in paragraph (b) is increased by 75  
9.30 percent of the difference between the amounts calculated under Laws 2015, First Special  
9.31 Session chapter 3, article 2, section 70, subdivision 8, for fiscal years 2017 and 2018.

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

10.1 Sec. 10. Minnesota Statutes 2016, section 126C.10, subdivision 13a, is amended to read:

10.2 Subd. 13a. Operating capital levy. To obtain operating capital revenue, a district may  
10.3 levy an amount not more than the product of its operating capital revenue for the fiscal year  
10.4 times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to  
10.5 the operating capital equalizing factor. The operating capital equalizing factor equals \$15,740  
10.6 for fiscal year 2017, ~~\$19,972~~ \$19,245 for fiscal year 2018, and ~~\$22,912~~ \$22,185 for fiscal  
10.7 year 2019 and later.

10.8 Sec. 11. **[126C.131] TARGETED COMPENSATORY REVENUE.**

- 10.9 Subdivision 1. **Policy and purpose.** The policy and purpose of this section are to close  
10.10 the opportunity gap by increasing student performance growth rates and proficiency rates  
10.11 by targeting compensatory revenue to the most productive instructional activities.
- 10.12 Subd. 2. **Eligibility.** A school site qualifies for targeted compensatory revenue under  
10.13 this section if the school site receives compensatory revenue under section 126C.10,  
10.14 subdivision 3.
- 10.15 Subd. 3. **Statewide revenue amount.** For fiscal year 2018, the total amount available  
10.16 for targeted compensatory revenue under this section is \$11,000,000. The total amount  
10.17 available for targeted compensatory revenue for fiscal year 2019 and thereafter is  
10.18 \$12,289,000.
- 10.19 Subd. 4. **Targeted compensatory revenue.** Each school site's initial targeted  
10.20 compensatory revenue equals:
- 10.21 (1) the statewide revenue amount for that year under subdivision 3, divided by the  
10.22 statewide sum of the number of pupils eligible to receive free lunch and 0.5 times the sum  
10.23 of the pupils eligible to receive reduced-price lunch on October 1 of the previous year; and
- 10.24 (2) the sum of the number of pupils enrolled in the building eligible to receive free lunch  
10.25 and 0.5 times the number of pupils eligible to receive reduced-price lunch on October 1 of  
10.26 the previous year.
- 10.27 Subd. 5. **Participation on Minnesota Comprehensive Assessments.** For fiscal years  
10.28 2018 and later, each school site's targeted compensatory revenue equals its initial revenue  
10.29 under subdivision 4 multiplied by:
- 10.30 (1) the lesser of one; or
- 11.1 (2) the ratio of the school site's average student participation percentage rate on all of  
11.2 the Minnesota Comprehensive Assessments administered at that site during the previous  
11.3 fiscal year to 95 percent.
- 11.4 Subd. 6. **Revenue uses.** (a) Targeted compensatory revenue must be used for extended  
11.5 time activities according to section 126C.10, subdivision 2a, paragraph (c).
- 11.6 (b) Targeted compensatory revenue generated at a school site under this section may be  
11.7 used at any school site, provided the services are provided to the students enrolled at the  
11.8 site generating the revenue.

14.1 Sec. 15. Minnesota Statutes 2016, section 126C.17, subdivision 9, is amended to read:

14.2 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
14.3 subdivision 1, may be increased in the amount approved by the voters of the district at a  
14.4 referendum called for the purpose. The referendum may be called by the board. The  
14.5 referendum must be conducted one or two calendar years before the increased levy authority,  
14.6 if approved, first becomes payable. Only one election to approve an increase may be held  
14.7 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,  
14.8 paragraph (a), the referendum must be held on the first Tuesday after the first Monday in  
14.9 November. The ballot must state the maximum amount of the increased revenue per adjusted  
14.10 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue  
14.11 per adjusted pupil unit that differs from year to year over the number of years for which the  
14.12 increased revenue is authorized or may state that the amount shall increase annually by the  
14.13 rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase  
14.14 calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum  
14.15 levy authority is expiring. In this case, the ballot may also compare the proposed levy  
14.16 authority to the existing expiring levy authority, and express the proposed increase as the  
14.17 amount, if any, over the expiring referendum levy authority. The ballot must designate the  
14.18 specific number of years, not to exceed ten, for which the referendum authorization applies.  
14.19 The ballot, including a ballot on the question to revoke or reduce the increased revenue  
14.20 amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per  
14.21 pupil." The notice required under section 275.60 may be modified to read, in cases of  
14.22 renewing existing levies at the same amount per pupil as in the previous year:

14.23 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO  
14.24 EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED  
14.25 TO EXPIRE."

14.26 The ballot may contain a textual portion with the information required in this subdivision  
14.27 and a question stating substantially the following:

14.28 "Shall the increase in the revenue proposed by (petition to) the board of ....., School  
14.29 District No. ..., be approved?"

14.30 If approved, an amount equal to the approved revenue per adjusted pupil unit times the  
14.31 adjusted pupil units for the school year beginning in the year after the levy is certified shall  
14.32 be authorized for certification for the number of years approved, if applicable, or until  
14.33 revoked or reduced by the voters of the district at a subsequent referendum.

15.1 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
15.2 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
15.3 and the proposed revenue increase. The board need not mail more than one notice to any  
15.4 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be

15.5 those shown to be owners on the records of the county auditor or, in any county where tax  
15.6 statements are mailed by the county treasurer, on the records of the county treasurer. Every  
15.7 property owner whose name does not appear on the records of the county auditor or the  
15.8 county treasurer is deemed to have waived this mailed notice unless the owner has requested  
15.9 in writing that the county auditor or county treasurer, as the case may be, include the name  
15.10 on the records for this purpose. The notice must project the anticipated amount of tax increase  
15.11 in annual dollars for typical residential homesteads, agricultural homesteads, apartments,  
15.12 and commercial-industrial property within the school district.

15.13 The notice for a referendum may state that an existing referendum levy is expiring and  
15.14 project the anticipated amount of increase over the existing referendum levy in the first  
15.15 year, if any, in annual dollars for typical residential homesteads, agricultural homesteads,  
15.16 apartments, and commercial-industrial property within the district.

15.17 The notice must include the following statement: "Passage of this referendum will result  
15.18 in an increase in your property taxes." However, in cases of renewing existing levies, the  
15.19 notice may include the following statement: "Passage of this referendum extends an existing  
15.20 operating referendum at the same amount per pupil as in the previous year."

15.21 (c) A referendum on the question of revoking or reducing the increased revenue amount  
15.22 authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke  
15.23 or reduce the revenue amount must state the amount per adjusted pupil unit by which the  
15.24 authority is to be reduced. Revenue authority approved by the voters of the district pursuant  
15.25 to paragraph (a) must be available to the school district at least once before it is subject to  
15.26 a referendum on its revocation or reduction for subsequent years. Only one revocation or  
15.27 reduction referendum may be held to revoke or reduce referendum revenue for any specific  
15.28 year and for years thereafter.

15.29 (d) The approval of 50 percent plus one of those voting on the question is required to  
15.30 pass a referendum authorized by this subdivision.

15.31 (e) At least 15 days before the day of the referendum, the district must submit a copy of  
15.32 the notice required under paragraph (b) to the commissioner and to the county auditor of  
15.33 each county in which the district is located. Within 15 days after the results of the referendum  
15.34 have been certified by the board, or in the case of a recount, the certification of the results  
16.1 of the recount by the canvassing board, the district must notify the commissioner of the  
16.2 results of the referendum.

16.3 **EFFECTIVE DATE.** This section is effective August 1, 2017.

16.4 Sec. 16. Minnesota Statutes 2016, section 127A.45, subdivision 10, is amended to read:

16.5 Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund  
16.6 payments for a district nonoperating fund must be made at the current year aid payment  
16.7 percentage of the estimated entitlement during the fiscal year of the entitlement. This amount  
16.8 shall be paid in ~~12~~ six equal monthly installments from July through December. The amount  
16.9 of the actual entitlement, after adjustment for actual data, minus the payments made during  
16.10 the fiscal year of the entitlement must be paid prior to October 31 of the following school  
16.11 year. The commissioner may make advance payments of debt service equalization aid and  
16.12 state-paid tax credits for a district's debt service fund earlier than would occur under the  
16.13 preceding schedule if the district submits evidence showing a serious cash flow problem in  
16.14 the fund. The commissioner may make earlier payments during the year and, if necessary,  
16.15 increase the percent of the entitlement paid to reduce the cash flow problem.

11.9 Sec. 12. Minnesota Statutes 2016, section 127A.41, subdivision 3, is amended to read:

11.10 Subd. 3. **Audits.** The commissioner shall establish procedures for conducting and shall  
11.11 conduct audits of district records and files for the purpose of verifying district pupil counts,  
11.12 levy limitations, and aid entitlements. The commissioner shall establish procedures for  
11.13 selecting and shall select districts to be audited. Disparities, if any, between pupil counts,  
11.14 levy limitations, or aid entitlements determined by audit of district records and files and  
11.15 data reported by districts in reports, claims and other documents shall be reviewed by the  
11.16 commissioner who shall order increases or decreases accordingly. Whenever possible, the  
11.17 commissioner shall audit at least 25 districts each year pursuant to this subdivision.  
11.18 Procedures adopted under this subdivision are not subject to chapter 14, including section  
11.19 14.386, and may differ from the procedures under section 127A.42.

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

11.21 Sec. 13. Minnesota Statutes 2016, section 127A.45, subdivision 10, is amended to read:

11.22 Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund  
11.23 payments for a district nonoperating fund must be made at the current year aid payment  
11.24 percentage of the estimated entitlement during the fiscal year of the entitlement. This amount  
11.25 shall be paid in ~~12~~ six equal monthly installments from July through December. The amount  
11.26 of the actual entitlement, after adjustment for actual data, minus the payments made during  
11.27 the fiscal year of the entitlement must be paid prior to October 31 of the following school  
11.28 year. The commissioner may make advance payments of debt service equalization aid and  
11.29 state-paid tax credits for a district's debt service fund earlier than would occur under the  
11.30 preceding schedule if the district submits evidence showing a serious cash flow problem in  
11.31 the fund. The commissioner may make earlier payments during the year and, if necessary,  
11.32 increase the percent of the entitlement paid to reduce the cash flow problem.

12.1 Sec. 14. **LEGISLATIVE STUDY GROUP ON SCHOOL FINANCE.**

12.2 (a) A 12-member legislative study group on school finance is created to review  
12.3 Minnesota's school finance system and recommend changes to make it more equitable and  
12.4 efficient. The study group must submit a written report by February 1, 2018, to the legislature  
12.5 recommending how to restructure Minnesota's school finance system. The study group must  
12.6 publicly adopt goals for Minnesota's school funding system and identify specific formula  
12.7 changes to implement those goals. The study group must examine compensatory revenue  
12.8 and funding for regular instruction, special education, and facilities. The study group may  
12.9 also examine other areas of Minnesota's school finance system. In developing its  
12.10 recommendations, the study group must identify and include in its report any statutory  
12.11 changes needed to implement the study group's recommendations.



16.16 Sec. 17. NEVIS SCHOOL DISTRICT; LEVY ADJUSTMENT.

16.17 Notwithstanding Minnesota Statutes, section 126C.48, Independent School District No.  
16.18 308, Nevis, at the discretion of its school board, may spread any levy adjustment remaining  
16.19 from the conversion of its operating referendum revenue over three or fewer years beginning  
16.20 with school property taxes for taxes payable in 2018.

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

16.22 Sec. 18. DIRECTION TO COMMISSIONER; TRANSPORTATION REPORT.

16.23 By February 15, 2018, the commissioner of education must prepare a report for the  
16.24 legislative committees with jurisdiction over kindergarten through grade 12 education  
16.25 finance on pupil transportation costs. The commissioner must consult with pupil

12.12 (b) The legislative study group on school finance includes:

12.13 (1) six duly elected and currently serving members of the house of representatives, three  
12.14 appointed by the speaker of the house and three appointed by the house minority leader,  
12.15 and one of whom must be the current chair of the house of representatives Education Finance  
12.16 Committee or the chair's designee; and

12.17 (2) six duly elected and currently serving senators, three appointed by the senate majority  
12.18 leader and three appointed by the senate minority leader, one of whom must be the current  
12.19 chair of the senate Education Finance Committee or the chair's designee.

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

12.22 (c) The appointments must be made by June 1, 2017, and expire February 2, 2018. If a  
12.23 vacancy occurs, the leader of the caucus in the house of representatives or senate to which  
12.24 the vacating study group member belonged must fill the vacancy. The chair of the house of  
12.25 representatives Education Finance Committee shall convene the first meeting of the study  
12.26 group. The study group shall elect a chair or cochairs from among the members at the first  
12.27 meeting. The study group must meet periodically. The Legislative Coordinating Commission  
12.28 shall provide technical and administrative assistance upon request.

12.29 (d) In performing its tasks, the study group must consult with interested and affected  
12.30 stakeholders.

12.31 (e) The study group expires February 2, 2018, unless extended by law.

13.1 Sec. 15. NEVIS SCHOOL DISTRICT; LEVY ADJUSTMENT.

13.2 Notwithstanding Minnesota Statutes, section 126C.48, Independent School District No.  
13.3 308, Nevis, at the discretion of its school board, may spread any levy adjustment remaining  
13.4 from the conversion of its operating referendum revenue over three or fewer years beginning  
13.5 with school property taxes for taxes payable in 2018.

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

- 16.26 transportation professionals throughout the state in developing and preparing the report.  
16.27 The report must:
- 16.28 (1) identify and analyze funding inequities between districts;
- 16.29 (2) make recommendations for statutory changes necessary to provide equitable and  
16.30 adequate transportation funding;
- 17.1 (3) consider changes in student demographics, attendance patterns, online learning, open  
17.2 enrollment, and declining enrollment;
- 17.3 (4) consider district topography, including the presence of lakes and rivers within the  
17.4 district;
- 17.5 (5) consider differential labor and fuel costs; and
- 17.6 (6) examine whether public transportation options can be used more effectively to provide  
17.7 transportation services.

13.7 Sec. 16. **PUPIL TRANSPORTATION ADJUSTMENT.**

- 13.8 (a) For fiscal years 2018 and 2019 only, an independent, common, or special school  
13.9 district's transportation sparsity revenue under Minnesota Statutes, section 126C.10,  
13.10 subdivision 18, is increased by the greater of zero or 52 percent of the difference between:
- 13.11 (1) the lesser of the district's total cost for regular and excess pupil transportation under  
13.12 section 123B.92, subdivision 1, paragraph (b), including depreciation, for the previous fiscal  
13.13 year or 105 percent of the district's total cost for the second previous fiscal year; and
- 13.14 (2) the sum of:
- 13.15 (i) 4.66 percent of the district's basic revenue for the previous fiscal year;
- 13.16 (ii) transportation sparsity revenue under Minnesota Statutes, section 126C.10, subdivision  
13.17 18, for the previous fiscal year; and
- 13.18 (iii) the district's charter school transportation adjustment for the previous fiscal year.

17.8 Sec. 19. **APPROPRIATIONS.**

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

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

17.14 \$ 7,001,339,000 ..... 2018

17.15 \$ 7,161,392,000 ..... 2019

17.16 The 2018 appropriation includes \$661,248,000 for 2017 and \$6,340,091,000 for 2018.

17.17 The 2019 appropriation includes \$675,589,000 for 2018 and \$6,485,803,000 for 2019.

17.18 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
17.19 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
17.20 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

17.21 \$ 29,000 ..... 2018

17.22 \$ 31,000 ..... 2019

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

17.24 \$ 2,374,000 ..... 2018

17.25 \$ 2,163,000 ..... 2019

13.19 (b) For fiscal years 2018 and 2019 only, a charter school's pupil transportation adjustment  
13.20 equals the school district per pupil adjustment under paragraph (a).

13.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2018 and  
13.22 2019 only.

13.23 Sec. 17. **APPROPRIATIONS.**

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

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

13.29 \$ 6,971,360,000 ..... 2018

13.30 \$ 7,108,742,000 ..... 2019

14.1 The 2018 appropriation includes \$686,828,000 for 2017 and \$6,284,532,000 for 2018.

14.2 The 2019 appropriation includes \$698,281,000 for 2018 and \$6,410,461,000 for 2019.

14.3 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending  
14.4 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
14.5 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

14.6 \$ 29,000 ..... 2018

14.7 \$ 31,000 ..... 2019

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

14.9 \$ 2,374,000 ..... 2018

14.10 \$ 2,163,000 ..... 2019

17.26 The 2018 appropriation includes \$262,000 for 2017 and \$2,112,000 for 2018.

17.27 The 2019 appropriation includes \$234,000 for 2018 and \$1,929,000 for 2019.

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

17.30 \$ 185,000 ..... 2018

17.31 \$ 382,000 ..... 2019

18.1 The 2018 appropriation includes \$0 for 2017 and \$185,000 for 2018.

18.2 The 2019 appropriation includes \$20,000 for 2018 and \$362,000 for 2019.

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

18.5 \$ 18,182,000 ..... 2018

18.6 \$ 19,164,000 ..... 2019

18.7 The 2018 appropriation includes \$1,687,000 for 2017 and \$16,495,000 for 2018.

18.8 The 2019 appropriation includes \$1,832,000 for 2018 and \$17,332,000 for 2019.

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

18.11 \$ 18,292,000 ..... 2018

18.12 \$ 18,366,000 ..... 2019

18.13 The 2018 appropriation includes \$1,835,000 for 2017 and \$16,457,000 for 2018.

18.14 The 2019 appropriation includes \$1,828,000 for 2018 and \$16,538,000 for 2019.

14.11 The 2018 appropriation includes \$262,000 for 2017 and \$2,112,000 for 2018.

14.12 The 2019 appropriation includes \$234,000 for 2018 and \$1,929,000 for 2019.

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

14.15 \$ 185,000 ..... 2018

14.16 \$ 382,000 ..... 2019

14.17 The 2018 appropriation includes \$0 for 2017 and \$185,000 for 2018.

14.18 The 2019 appropriation includes \$20,000 for 2018 and \$362,000 for 2019.

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

14.21 \$ 18,342,000 ..... 2018

14.22 \$ 19,437,000 ..... 2019

14.23 The 2018 appropriation includes \$1,687,000 for 2017 and \$16,655,000 for 2018.

14.24 The 2019 appropriation includes \$1,850,000 for 2018 and \$17,587,000 for 2019.

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

14.27 \$ 18,252,000 ..... 2018

14.28 \$ 18,281,000 ..... 2019

14.29 The 2018 appropriation includes \$1,835,000 for 2017 and \$16,417,000 for 2018.

14.30 The 2019 appropriation includes \$1,824,000 for 2018 and \$16,457,000 for 2019.

18.15 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690,  
18.16 Warroad, to operate the Angle Inlet School:

18.17 \$ 65,000 ..... 2018

18.18 \$ 65,000 ..... 2019

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

18.21 \$ 4,561,000 ..... 2018

18.22 \$ 4,125,000 ..... 2019

18.23 The 2018 appropriation includes \$476,000 for 2017 and \$4,085,000 for 2018.

18.24 The 2019 appropriation includes \$453,000 for 2018 and \$3,672,000 for 2019.

18.25 Sec. 20. **REPEALER.**

18.26 Minnesota Statutes 2016, section 124D.73, subdivision 2, is repealed.

15.1 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690,  
15.2 Warroad, to operate the Angle Inlet School:

15.3 \$ 65,000 ..... 2018

15.4 \$ 65,000 ..... 2019

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

15.7 \$ 4,561,000 ..... 2018

15.8 \$ 4,125,000 ..... 2019

15.9 The 2018 appropriation includes \$476,000 for 2017 and \$4,085,000 for 2018.

15.10 The 2019 appropriation includes \$453,000 for 2018 and \$3,672,000 for 2019.

15.11 Subd. 10. **Onetime pupil aid.** (a) For onetime pupil aid:

15.12 \$ 6,821,000 ..... 2019

15.13 (b) Each district's onetime pupil aid for fiscal year 2019 equals \$7.18 times its adjusted  
15.14 pupil units for that year.

15.15 Sec. 18. **REPEALER.**

15.16 Minnesota Statutes 2016, section 124D.73, subdivision 2, is repealed.