

SENATE
STATE OF MINNESOTA
EIGHTY-NINTH SESSION

S.F. No. 811

(SENATE AUTHORS: WIGER)

DATE	D-PG	OFFICIAL STATUS
02/12/2015	278	Introduction and first reading Referred to Education
03/19/2015	995	Comm report: No recommendation, re-referred to Finance
04/24/2015		Comm report: To pass as amended and re-refer to Taxes Rule 21, referred to Rules and Administration Comm report: Adopt previous comm report

A bill for an act

1.1 relating to education; providing funding and policy for early childhood and
1.2 family, prekindergarten through grade 12, and adult education, including general
1.3 education, education excellence, special education, facilities, technology,
1.4 nutrition, libraries, accounting, early childhood, education, self-sufficiency,
1.5 lifelong learning, and state agencies; appropriating money; amending Minnesota
1.6 Statutes 2014, sections 5A.03; 120B.021, subdivisions 1, 3, 4; 120B.13,
1.7 subdivision 4; 120B.30, by adding subdivisions; 120B.36, subdivision 1;
1.8 121A.17, subdivisions 3, 5; 122A.09, by adding a subdivision; 122A.18,
1.9 subdivision 8; 122A.413, subdivisions 1, 2; 122A.414, subdivisions 1, 1a, 2,
1.10 2a, 2b, 3; 122A.415; 122A.74; 123B.045, by adding a subdivision; 123B.53,
1.11 subdivisions 1, 4; 123B.57; 124D.041, subdivisions 1, 2; 124D.09, subdivisions
1.12 5, 8; 124D.10, subdivisions 8, 12; 124D.11, subdivisions 1, 5, by adding
1.13 subdivisions; 124D.1158, subdivisions 3, 4; 124D.15, subdivisions 3, 5, 12,
1.14 15, by adding a subdivision; 124D.16, subdivision 2; 124D.165, subdivision
1.15 2; 124D.20, subdivision 4a; 124D.4531, subdivision 1; 124D.81; 124D.83,
1.16 subdivision 2; 125A.03; 125A.11, subdivision 1; 125A.79, subdivision 1;
1.17 126C.01, subdivision 2; 126C.10, subdivisions 1, 2, 2a, 13a, 18; 126C.15,
1.18 subdivision 2; 127A.33; 127A.45, subdivision 3; 127A.47, subdivision 7;
1.19 129C.30, subdivision 3; 134.355, subdivisions 5, 6, 8, 9, 10; Laws 2013, chapter
1.20 116, article 1, section 58, subdivisions 2, as amended, 3, as amended, 4, as
1.21 amended, 5, as amended, 6, as amended, 7, as amended, 11, as amended; article
1.22 3, sections 35, subdivision 2; 37, subdivisions 3, as amended, 4, as amended, 5,
1.23 as amended, 20, as amended; article 4, section 9, subdivision 2, as amended;
1.24 article 5, section 31, subdivisions 2, as amended, 3, as amended, 4, as amended;
1.25 article 6, section 12, subdivisions 2, as amended, 6, as amended; article 7, section
1.26 21, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section
1.27 5, subdivisions 3, as amended, 4, as amended, 14, as amended; Laws 2014,
1.28 chapter 312, article 16, sections 15; 16, subdivision 7; proposing coding for new
1.29 law in Minnesota Statutes, chapters 120B; 121A; 123B; 124D; 136D; repealing
1.30 Minnesota Statutes 2014, sections 123B.59; 123B.591.

1.32 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 2014, section 124D.041, subdivision 1, is amended to
2.4 read:

2.5 Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement
2.6 with the designated authority from an adjoining state to establish an enrollment options
2.7 program between Minnesota and the adjoining state. Any agreement entered into pursuant
2.8 to this section must specify the following:

2.9 (1) for students who are not residents of Minnesota, the enrollment options program
2.10 applies only to a student whose resident school district borders Minnesota;

2.11 (2) the commissioner must negotiate equal, reciprocal rates with the designated
2.12 authority from the adjoining state;

2.13 (3) if the adjoining state sends more students to Minnesota than Minnesota sends to
2.14 the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed
2.15 upon under clause (2) for the excess number of students sent to Minnesota;

2.16 (4) if Minnesota sends more students to the adjoining state than the adjoining state
2.17 sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed
2.18 upon under clause (2) for the excess number of students sent to the adjoining state;

2.19 (5) the application procedures for the enrollment options program between
2.20 Minnesota and the adjoining state;

2.21 (6) the reasons for which an application for the enrollment options program between
2.22 Minnesota and the adjoining state may be denied; and

2.23 (7) that a Minnesota school district is not responsible for transportation for any
2.24 resident student attending school in an adjoining state under the provisions of this section.
2.25 A Minnesota school district may, at its discretion, provide transportation services for
2.26 such a student.

2.27 (b) Any agreement entered into pursuant to this section may specify additional
2.28 terms relating to any student in need of special education and related services pursuant
2.29 to chapter 125A, including early childhood special education services. Any additional
2.30 terms must apply equally to both states.

2.31 **EFFECTIVE DATE.** This section is effective July 1, 2015.

2.32 Sec. 2. Minnesota Statutes 2014, section 124D.041, subdivision 2, is amended to read:

2.33 Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in
2.34 Minnesota pursuant to this section is included in the receiving school district's average

3.1 daily membership and pupil units according to section 126C.05 as if the student were
 3.2 a resident of another Minnesota school district attending the receiving school district
 3.3 under section 124D.03.

3.4 (b) Any Minnesota resident student enrolled in an adjoining state pursuant to this
 3.5 section is included in the resident school district's average daily membership and pupil
 3.6 units according to section 126C.05 as if the student were a resident of the district attending
 3.7 another Minnesota school district under section 124D.03.

3.8 (c) A prekindergarten child from an adjoining state whose family resides at a
 3.9 Minnesota address as assigned by the United States Postal Service and is receiving early
 3.10 childhood special education services from a Minnesota school district is considered
 3.11 enrolled in a Minnesota school district.

3.12 **EFFECTIVE DATE.** This section is effective July 1, 2015.

3.13 Sec. 3. Minnesota Statutes 2014, section 124D.4531, subdivision 1, is amended to read:

3.14 Subdivision 1. **Career and technical revenue.** (a) A district with a career and
 3.15 technical program approved under this section for the fiscal year in which the levy is
 3.16 certified is eligible for career and technical revenue equal to ~~35~~ 37.5 percent of approved
 3.17 expenditures in the fiscal year in which the levy is certified for the following:

3.18 (1) salaries paid to essential, licensed personnel and qualifying nonlicensed
 3.19 community experts under paragraph (c) providing direct instructional services to students
 3.20 in that fiscal year, including extended contracts, for services rendered in the district's
 3.21 approved career and technical education programs, excluding salaries reimbursed by
 3.22 another school district under clause (2);

3.23 (2) amounts paid to another Minnesota school district for salaries of essential,
 3.24 licensed personnel and qualifying nonlicensed community experts under paragraph (c)
 3.25 providing direct instructional services to students in that fiscal year for services rendered
 3.26 in the district's approved career and technical education programs;

3.27 (3) contracted services provided by a public or private agency other than a Minnesota
 3.28 school district or cooperative center under chapter 123A or 136D;

3.29 (4) necessary travel between instructional sites by licensed career and technical
 3.30 education personnel;

3.31 (5) necessary travel by licensed career and technical education personnel for
 3.32 vocational student organization activities held within the state for instructional purposes;

3.33 (6) curriculum development activities that are part of a five-year plan for
 3.34 improvement based on program assessment;

4.1 (7) necessary travel by licensed career and technical education personnel for
 4.2 noncollegiate credit-bearing professional development; and

4.3 (8) specialized vocational instructional supplies.

4.4 (b) The district must recognize the full amount of this levy as revenue for the fiscal
 4.5 year in which it is certified.

4.6 ~~(e) The amount of the revenue calculated under this subdivision may not exceed~~
 4.7 ~~\$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and~~
 4.8 ~~\$20,657,000 for taxes payable in 2014.~~

4.9 ~~(d) If the estimated revenue exceeds the amount in paragraph (e), the commissioner~~
 4.10 ~~must reduce the percentage in paragraph (a) until the estimated revenue no longer exceeds~~
 4.11 ~~the limit in paragraph (e).~~

4.12 (c) Salaries for nonlicensed community experts qualify under paragraph (a), clauses
 4.13 (1) and (2), only if the district made efforts to obtain acceptable licensed teachers for the
 4.14 particular course or subject area.

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

4.17 Sec. 4. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

4.18 Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, the~~
 4.19 ~~general education revenue for each district equals the sum of the district's basic revenue,~~
 4.20 ~~extended time revenue, gifted and talented revenue, small schools revenue, basic skills~~
 4.21 ~~revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity~~
 4.22 ~~revenue, total operating capital revenue, equity revenue, alternative teacher compensation~~
 4.23 ~~revenue, and transition revenue.~~

4.24 ~~(b)~~ For fiscal year 2015 and later, the general education revenue for each district
 4.25 equals the sum of the district's basic revenue, extended time support revenue, gifted and
 4.26 talented revenue, declining enrollment revenue, local optional revenue, small schools
 4.27 revenue, basic skills revenue, secondary sparsity revenue, elementary sparsity revenue,
 4.28 transportation sparsity revenue, total operating capital revenue, equity revenue, pension
 4.29 adjustment revenue, and transition revenue.

4.30 Sec. 5. Minnesota Statutes 2014, section 126C.10, subdivision 2, is amended to read:

4.31 Subd. 2. **Basic revenue.** ~~For fiscal year 2014, the basic revenue for each district~~
 4.32 ~~equals the formula allowance times the adjusted marginal cost pupil units for the school~~
 4.33 ~~year. For fiscal year 2015 and later, the basic revenue for each district equals the formula~~
 4.34 ~~allowance times the adjusted pupil units for the school year. The formula allowance for~~

5.1 ~~fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The~~
 5.2 ~~formula allowance for fiscal year 2015 and later is \$5,831. The formula allowance for~~
 5.3 ~~fiscal year 2016 is \$5,889. The formula allowance for fiscal year 2017 and later is \$5,948.~~

5.4 Sec. 6. Minnesota Statutes 2014, section 126C.10, subdivision 2a, is amended to read:

5.5 Subd. 2a. **Extended time support revenue.** (a) ~~A school district's extended time~~
 5.6 ~~revenue for fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted~~
 5.7 ~~marginal cost pupil units of the district for each pupil in average daily membership in excess~~
 5.8 ~~of 1.0 and less than 1.2 according to section 126C.05, subdivision 8. A school district's~~
 5.9 ~~extended time support revenue for fiscal year 2015 and later is equal to the product of~~
 5.10 ~~\$5,017 and the sum of the adjusted pupil units of the district for each pupil in average daily~~
 5.11 ~~membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.~~

5.12 (b) A school district's extended time support revenue may be used for extended day
 5.13 programs, extended week programs, summer school, and other programming authorized
 5.14 under the learning year program. Extended support revenue may also be used by alternative
 5.15 learning centers serving high school students for academic purposes during the school day.

5.16 Sec. 7. Minnesota Statutes 2014, section 126C.10, subdivision 13a, is amended to read:

5.17 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue ~~for fiscal~~
 5.18 ~~year 2015 and later~~, a district may levy an amount not more than the product of its
 5.19 operating capital revenue for the fiscal year times the lesser of one or the ratio of its
 5.20 adjusted net tax capacity per adjusted ~~marginal cost~~ pupil unit to the operating capital
 5.21 equalizing factor. The operating capital equalizing factor equals \$14,500 for fiscal years
 5.22 2015 to 2017, \$19,810 for fiscal year 2018, and \$30,555 for fiscal year 2019 and later.

5.23 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
 5.24 later.

5.25 Sec. 8. Minnesota Statutes 2014, section 126C.10, subdivision 18, is amended to read:

5.26 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's
 5.27 transportation sparsity allowance equals the greater of zero or the result of the following
 5.28 computation:

5.29 (i) Multiply the formula allowance according to subdivision 2, by .141.

5.30 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the
 5.31 26/100 power.

5.32 (iii) Multiply the result in clause (ii) by the district's density index raised to the
 5.33 13/100 power.

6.1 (iv) Multiply the result in clause (iii) by the greater of (1) one or (2) the ratio of the
 6.2 square mile area of the district to 3,000 raised to the 34/100 power.

6.3 (v) For a district that does not qualify for secondary sparsity revenue under
 6.4 subdivision 7 or elementary sparsity revenue under subdivision 8, multiply the result in
 6.5 clause (iv) by the greater of (1) one or (2) the ratio of the square mile area of the district to
 6.6 525 raised to the 34/100 power.

6.7 ~~(iv)~~ (vi) Multiply the formula allowance according to subdivision 2, by .0466.

6.8 ~~(v)~~ (vii) Subtract the result in clause ~~(iv)~~ (vi) from the result in clause ~~(iii)~~ (v).

6.9 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance
 6.10 times the adjusted pupil units.

6.11 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
 6.12 later.

6.13 Sec. 9. Minnesota Statutes 2014, section 126C.15, subdivision 2, is amended to read:

6.14 Subd. 2. **Building allocation.** (a) A district or cooperative must allocate its
 6.15 compensatory revenue to each school building in the district or cooperative where
 6.16 the children who have generated the revenue are served unless the school district or
 6.17 cooperative has received permission under Laws 2005, First Special Session chapter 5,
 6.18 article 1, section 50, to allocate compensatory revenue according to student performance
 6.19 measures developed by the school board.

6.20 (b) Notwithstanding paragraph (a), a district or cooperative may allocate up to five
 6.21 50 percent of the amount of compensatory revenue that the district receives to school
 6.22 sites according to a plan adopted by the school board, ~~and a district or cooperative may~~
 6.23 ~~allocate up to an additional five percent of its compensatory revenue for activities under~~
 6.24 ~~subdivision 1, clause (10), according to a plan adopted by the school board.~~ The money
 6.25 reallocated under this paragraph must be spent for the purposes listed in subdivision 1, but
 6.26 may be spent on students in any grade, including students attending school readiness or
 6.27 other prekindergarten programs.

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

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

6.32 (e) A district or cooperative with school building openings, school building
 6.33 closings, changes in attendance area boundaries, or other changes in programs or student
 6.34 demographics between the prior year and the current year may reallocate compensatory
 6.35 revenue among sites to reflect these changes. A district or cooperative must report to the

7.1 department any adjustments it makes according to this paragraph and the department must
 7.2 use the adjusted compensatory revenue allocations in preparing the report required under
 7.3 section 123B.76, subdivision 3, paragraph (c).

7.4 **EFFECTIVE DATE.** This section is effective July 1, 2015.

7.5 Sec. 10. Minnesota Statutes 2014, section 129C.30, subdivision 3, is amended to read:

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

7.17 Sec. 11. **[136D.41] LISTED DISTRICTS MAY FORM INTERMEDIATE**
 7.18 **DISTRICT.**

7.19 Notwithstanding any other law to the contrary, two or more of the Independent School
 7.20 Districts Nos. 108, 110, 111, and 112 of Carver County, Independent School Districts Nos.
 7.21 716, 717, 719, 720, and 721 of Scott County, and Independent School District No. 2905 of
 7.22 Le Sueur County, whether or not contiguous, may enter into agreements to accomplish
 7.23 jointly and cooperatively the acquisition, betterment, construction, maintenance, and
 7.24 operation of facilities for, and instruction in, special education, career and technical
 7.25 education, adult basic education, and alternative education. Each school district that
 7.26 becomes a party to such an agreement is a "participating school district" for purposes
 7.27 of sections 136D.41 to 136D.49. The agreement may provide for the exercise of these
 7.28 powers by a joint school board created as set forth in sections 136D.41 to 136D.49.

7.29 Sec. 12. **[136D.42] JOINT SCHOOL BOARD; MEMBERS; BYLAWS.**

7.30 Subdivision 1. Board. The agreement shall provide for a joint school board
 7.31 representing the parties to the agreement. The agreement shall specify the name of the
 7.32 board, the number and manner of election or appointment of its members, their terms and
 7.33 qualifications, and other necessary and desirable provisions.

8.1 Subd. 2. **Bylaws.** The board may adopt bylaws specifying the duties and powers of
8.2 its officers and the meeting dates of the board, and containing such other provisions as
8.3 may be usual and necessary for the efficient conduct of the business of the board.

8.4 Sec. 13. **[136D.43] STATUS OF JOINT SCHOOL BOARD.**

8.5 Subdivision 1. **Public agency.** The joint school board shall be a public agency of the
8.6 participating school districts and may receive and disburse federal and state funds made
8.7 available to it or to the participating school districts.

8.8 Subd. 2. **Liability.** No participating school district shall have individual liability
8.9 for the debts and obligations of the board, nor shall any individual serving as a member
8.10 of the board have such liability.

8.11 Subd. 3. **Tax exempt.** Any properties, real or personal, acquired, owned, leased,
8.12 controlled, used, or occupied by the board for its purposes shall be exempt from taxation
8.13 by the state or any of its political subdivisions.

8.14 Sec. 14. **[136D.44] JOINT BOARD HAS ALL POWERS OF MEMBER**
8.15 **DISTRICTS.**

8.16 To effectuate the agreement, the joint school board shall have all the powers granted
8.17 by law to any or all of the participating school districts.

8.18 Sec. 15. **[136D.45] AGREEMENT APPROVAL; NOTICE; PETITION;**
8.19 **REFERENDUM.**

8.20 Subdivision 1. **Resolution.** The agreement shall, before it becomes effective, be
8.21 approved by a resolution adopted by the school board of each school district named therein.

8.22 Subd. 2. **When effective.** Each resolution shall be published once in a newspaper
8.23 published in the district, if there is one, or in a newspaper having general circulation in the
8.24 district, and shall become effective 30 days after publication, unless within the 30-day
8.25 period a petition for referendum on the resolution is filed with the school board, signed by
8.26 qualified voters of the school district equal in number to five percent of the number of
8.27 voters voting at the last annual school district election. In such case, the resolution shall
8.28 not become effective until approved by a majority of the voters voting thereon at a regular
8.29 or special election. The agreement may provide conditions under which it shall become
8.30 effective even though it may not be approved in all districts.

8.31 Sec. 16. **[136D.46] DISTRICT CONTRIBUTIONS, DISBURSEMENTS,**
8.32 **CONTRACTS.**

9.1 The participating school districts may contribute funds to the board. Disbursements
9.2 shall be made by the board in accordance with sections 123B.14, 123B.143, and 123B.147.
9.3 The board shall be subject to section 123B.52, subdivisions 1, 2, 3, and 5.

9.4 Sec. 17. **[136D.47] TERM OF AGREEMENT.**

9.5 The agreement shall state the term of its duration and may provide for the method of
9.6 termination and distribution of assets after payment of all liabilities of the joint school
9.7 board.

9.8 Sec. 18. **[136D.48] NON-POSTSECONDARY PROGRAMS; LICENSED**
9.9 **DIRECTION.**

9.10 The board may also provide any other educational programs or other services
9.11 requested by a participating district. However, these programs and services may not be
9.12 postsecondary programs or services. Academic offerings shall be provided only under the
9.13 direction of properly licensed academic supervisory personnel.

9.14 Sec. 19. **[136D.49] OTHER MEMBERSHIP AND POWERS.**

9.15 In addition to the districts listed in sections 136D.21, 136D.41, 136D.71, and
9.16 136D.81, the agreement of an intermediate school district established under this chapter
9.17 may provide for the membership of other school districts and cities, counties, and other
9.18 governmental units as defined in section 471.59. In addition to the powers listed in
9.19 sections 136D.25, 136D.73, and 136D.84, an intermediate school board may provide the
9.20 services defined in section 123A.21, subdivisions 7 and 8.

9.21 Sec. 20. **COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.**

9.22 For the 2015-2016 school year only, for an intermediate district formed under
9.23 Minnesota Statutes, section 136D.41, the department must calculate compensatory
9.24 revenue based on the October 1, 2014, enrollment counts for the South Metro Educational
9.25 Cooperative.

9.26 Sec. 21. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

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

10.1 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and
10.2 later.

10.3 Sec. 22. **SCHOOL DISTRICT LEVY ADJUSTMENTS.**

10.4 Subdivision 1. **Tax rate adjustment.** The commissioner of education must adjust
10.5 each school district tax rate established under Minnesota Statutes, chapters 120B to 127A,
10.6 by multiplying the rate by the ratio of the statewide total tax capacity for assessment year
10.7 2014, as it existed prior to the passage of Regular Session 2015, House File No. 848, or
10.8 a similarly styled bill passed in a special session to the statewide total tax capacity for
10.9 assessment year 2014.

10.10 Subd. 2. **Equalizing factors.** The commissioner of education must adjust each
10.11 school district equalizing factor established under Minnesota Statutes, chapters 120B to
10.12 127A, by dividing the equalizing factor by the ratio of the statewide total tax capacity for
10.13 assessment year 2014, as it existed prior to the passage of Regular Session 2015, House
10.14 File No. 848, or a similarly styled bill passed in a special session, to the statewide total tax
10.15 capacity for assessment year 2014.

10.16 Sec. 23. **INDEPENDENT SCHOOL DISTRICT NO. 761, OWATONNA PUBLIC**
10.17 **SCHOOLS; REFERENDUM REVENUE AUTHORIZATION.**

10.18 The referendum revenue authorization for Independent School District No. 761,
10.19 Owatonna public schools, shall be set at \$1,082.70 per adjusted pupil unit for taxes
10.20 payable in 2014 and adjusted thereafter for the annual inflationary increases calculated
10.21 under Minnesota Statutes, section 126C.17, subdivision 2, paragraph (b), to reflect the
10.22 intention of the school board and the understanding of the voters relating to the new
10.23 authorization approved by the voters of that school district on November 5, 2013. This
10.24 referendum will be applicable for seven years beginning with taxes payable in 2014 unless
10.25 otherwise revoked or reduced as provided by law.

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

10.27 Sec. 24. **APPROPRIATIONS.**

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

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

11.1 \$ 6,567,318,000 2016

11.2 \$ 6,636,002,000 2017

11.3 The 2016 appropriation includes \$622,908,000 for 2015 and \$5,944,411,000 for 2016.

11.4 The 2017 appropriation includes \$632,482,000 for 2016 and \$6,003,520,000 for

11.5 2017.

11.6 Subd. 3. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid

11.7 under Minnesota Statutes, section 123B.92, subdivision 9:

11.8 \$ 17,488,000 2016

11.9 \$ 17,464,000 2017

11.10 The 2016 appropriation includes \$1,816,000 for 2015 and \$15,672,000 for 2016.

11.11 The 2017 appropriation includes \$1,741,000 for 2016 and \$15,723,000 for 2017.

11.12 Subd. 4. **Nonpublic pupil education aid.** For nonpublic pupil education aid under

11.13 Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

11.14 \$ 16,819,000 2016

11.15 \$ 17,338,000 2017

11.16 The 2016 appropriation includes \$1,575,000 for 2015 and \$15,244,000 for 2016.

11.17 The 2017 appropriation includes \$1,693,000 for 2016 and \$15,645,000 for 2017.

11.18 Subd. 5. **Career and technical aid.** For career and technical aid under Minnesota

11.19 Statutes, section 124D.4531, subdivision 1b:

11.20 \$ 5,420,000 2016

11.21 \$ 4,669,000 2017

11.22 The 2016 appropriation includes \$574,000 for 2015 and \$4,846,000 for 2016.

11.23 The 2017 appropriation includes \$538,000 for 2016 and \$4,131,000 for 2017.

11.24 Subd. 6. **Abatement revenue.** For abatement aid under Minnesota Statutes, section

11.25 127A.49:

11.26 \$ 2,740,000 2016

11.27 \$ 2,932,000 2017

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

11.29 The 2017 appropriation includes \$273,000 for 2016 and \$2,659,000 for 2017.

11.30 Subd. 7. **Consolidation transition.** For districts consolidating under Minnesota

11.31 Statutes, section 123A.485:

11.32 \$ 292,000 2016

11.33 \$ 165,000 2017

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

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

12.3 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.

12.4 690, Warroad, to operate the Angle Inlet School:

12.5 \$ 65,000 2016

12.6 \$ 65,000 2017

12.7 Subd. 9. **Enrollment options transportation.** For transportation of pupils attending

12.8 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation

12.9 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

12.10 \$ 39,000 2016

12.11 \$ 42,000 2017

12.12 **ARTICLE 2**

12.13 **EDUCATION EXCELLENCE**

12.14 Section 1. Minnesota Statutes 2014, section 120B.13, subdivision 4, is amended to read:

12.15 Subd. 4. **Rigorous course taking information; AP, IB, and PSEO.** The
 12.16 commissioner shall submit the following information on rigorous course taking,
 12.17 disaggregated by student subgroup, school district, and postsecondary institution, to the
 12.18 education committees of the legislature each year by February 1:

12.19 (1) the number of pupils enrolled in postsecondary enrollment options under section
 12.20 124D.09, including concurrent enrollment, career and technical education courses offered
 12.21 as a concurrent enrollment course, advanced placement, and international baccalaureate
 12.22 courses in each school district;

12.23 (2) the number of teachers in each district attending training programs offered by the
 12.24 college board, International Baccalaureate North America, Inc., or Minnesota concurrent
 12.25 enrollment programs;

12.26 (3) the number of teachers in each district participating in support programs;

12.27 (4) recent trends in the field of postsecondary enrollment options under section
 12.28 124D.09, including concurrent enrollment, advanced placement, and international
 12.29 baccalaureate programs;

12.30 (5) expenditures for each category in this section and under sections 124D.09 and
 12.31 124D.091, including career and technical education courses offered as a concurrent
 12.32 enrollment course; and

13.1 (6) other recommendations for the state program or the postsecondary enrollment
 13.2 options under section 124D.09, including concurrent enrollment.

13.3 Sec. 2. **[121A.395] TITLE.**

13.4 Sections 121A.395 to 121A.3951 may be cited as the "Student Support Services
 13.5 Personnel Act."

13.6 Sec. 3. **[121A.3951] STUDENT SUPPORT SERVICES PERSONNEL GRANT**
 13.7 **PROGRAM.**

13.8 Subdivision 1. Definitions. For the purposes of sections 121A.395 to 121A.3951,
 13.9 the following terms have the meanings given them:

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

13.13 (2) "new position" means a student support services personnel full-time or part-time
 13.14 position not under contract by a school at the start of the 2014-2015 school year.

13.15 Subd. 2. Purpose. The purpose of the student support services personnel grant
 13.16 program is to:

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

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

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

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

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

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

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

13.32 (b) The commissioner of education shall specify the form and manner of the grant
 13.33 application. In awarding grants, the commissioner must give priority to schools in which

14.1 student support services personnel positions do not currently exist. Additional criteria
 14.2 must include at least the following:

- 14.3 (1) existing student support services personnel caseloads;
- 14.4 (2) school demographics;
- 14.5 (3) Title 1 revenue;
- 14.6 (4) Minnesota student survey data;
- 14.7 (5) graduation rates; and
- 14.8 (6) postsecondary completion rates.

14.9 Subd. 4. **Allowed uses; match requirements.** A grant under this section must be
 14.10 used to hire a new position. A school that receives a grant must match the grant with local
 14.11 funds in each year of the grant. In each of the first four years of the grant, the local match
 14.12 equals \$1 for every \$1 awarded in the same year. In years five and six of the grant, the
 14.13 local match equals \$3 for every \$1 awarded in the same year. The local match may not
 14.14 include federal reimbursements attributable to the new position.

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

- 14.18 (1) school climate;
- 14.19 (2) attendance rates;
- 14.20 (3) academic achievement;
- 14.21 (4) career and college readiness; and
- 14.22 (5) postsecondary completion rates.

14.23 Sec. 4. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision
 14.24 to read:

14.25 Subd. 4a. **Teacher preparation program data; report.** Each teacher preparation
 14.26 program must collect valid, reliable, and timely data about outcomes for its teacher
 14.27 candidates. On an annual basis, each teacher preparation program must publish summary
 14.28 data on programs' efficacy in an understandable, useful, and readily accessible electronic
 14.29 format that is available on a Web site hosted by the teacher preparation program. The
 14.30 summary report at least must include: four-year graduation rates, licensure attainment,
 14.31 employment rates, and satisfaction rates from teacher candidates collected via a survey.
 14.32 Additionally, some of the outcomes may be disaggregated by race, including:

- 14.33 (1) graduation rates;
- 14.34 (2) licensure rates;
- 14.35 (3) employment rates; and

15.1 (4) teacher candidate satisfaction.

15.2 Teacher preparation programs must follow the standard practice determined by
 15.3 the National Center for Education Statistics by exempting sample cells smaller than ten
 15.4 people in order to maintain privacy of individual teachers.

15.5 **EFFECTIVE DATE.** This section is effective the day following final enactment
 15.6 and applies to reports published beginning June 1, 2016.

15.7 Sec. 5. Minnesota Statutes 2014, section 122A.413, subdivision 1, is amended to read:

15.8 Subdivision 1. **Qualifying plan.** A district ~~or~~, intermediate school district, or a
 15.9 cooperative unit, as defined in section 123A.24, subdivision 2, may develop an educational
 15.10 improvement plan for the purpose of qualifying for the alternative teacher professional pay
 15.11 system under section 122A.414. The plan must include measures for improving school
 15.12 district, intermediate school district, cooperative, school site, teacher, and individual
 15.13 student performance.

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

15.16 Sec. 6. Minnesota Statutes 2014, section 122A.413, subdivision 2, is amended to read:

15.17 Subd. 2. **Plan components.** The educational improvement plan must be approved
 15.18 by the school board or governing board and have at least these elements:

15.19 (1) assessment and evaluation tools to measure student performance and progress,
 15.20 including the academic literacy, oral academic language, and achievement of English
 15.21 learners, among other measures;

15.22 (2) performance goals and benchmarks for improvement;

15.23 (3) measures of student attendance and completion rates;

15.24 (4) a rigorous research and practice-based professional development system, based
 15.25 on national and state standards of effective teaching practice applicable to all students
 15.26 including English learners with varied needs under section 124D.59, subdivisions 2 and
 15.27 2a, and consistent with section 122A.60, that is aligned with educational improvement and
 15.28 designed to achieve ongoing and schoolwide progress and growth in teaching practice;

15.29 (5) measures of student, family, and community involvement and satisfaction;

15.30 (6) a data system about students and their academic progress that provides parents
 15.31 and the public with understandable information;

15.32 (7) a teacher induction and mentoring program for probationary teachers that
 15.33 provides continuous learning and sustained teacher support; and

16.1 (8) substantial participation by the exclusive representative of the teachers in
 16.2 developing the plan.

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

16.5 Sec. 7. Minnesota Statutes 2014, section 122A.414, subdivision 1, is amended to read:

16.6 Subdivision 1. **Restructured pay system.** A restructured alternative teacher
 16.7 professional pay system is established under subdivision 2 to provide incentives to
 16.8 encourage teachers to improve their knowledge and instructional skills in order to improve
 16.9 student learning and for school districts, intermediate school districts, cooperative units,
 16.10 as defined in section 123A.24, subdivision 2, and charter schools to recruit and retain
 16.11 highly qualified teachers, encourage highly qualified teachers to undertake challenging
 16.12 assignments, and support teachers' roles in improving students' educational achievement.

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

16.15 Sec. 8. Minnesota Statutes 2014, section 122A.414, subdivision 1a, is amended to read:

16.16 Subd. 1a. **Transitional planning year.** (a) To be eligible to participate in an
 16.17 alternative teacher professional pay system, a school district, intermediate school district,
 16.18 or site, at least one school year before it expects to fully implement an alternative pay
 16.19 system, must:

16.20 (1) submit to the department a letter of intent executed by the school district or
 16.21 intermediate school district and the exclusive representative of the teachers to complete a
 16.22 plan preparing for full implementation, consistent with subdivision 2, that may include,
 16.23 among other activities, training to evaluate teacher performance, a restructured school
 16.24 day to develop integrated ongoing site-based professional development activities, release
 16.25 time to develop an alternative pay system agreement, and teacher and staff training on
 16.26 using multiple data sources; and

16.27 (2) agree to use up to two percent of basic revenue for staff development purposes,
 16.28 consistent with sections 122A.60 and 122A.61, to develop the alternative teacher
 16.29 professional pay system agreement under this section.

16.30 (b) To be eligible to participate in an alternative teacher professional pay system, a
 16.31 charter school, at least one school year before it expects to fully implement an alternative
 16.32 pay system, must:

17.1 (1) submit to the department a letter of intent executed by the charter school and the
17.2 charter school board of directors;

17.3 (2) submit the record of a formal vote by the teachers employed at the charter
17.4 school indicating at least 70 percent of all teachers agree to implement the alternative
17.5 pay system; and

17.6 (3) agree to use up to two percent of basic revenue for staff development purposes,
17.7 consistent with sections 122A.60 and 122A.61, to develop the alternative teacher
17.8 professional pay system.

17.9 (c) To be eligible to participate in an alternative teacher professional pay system,
17.10 a cooperative, excluding intermediate school districts at least one school year before it
17.11 expects to fully implement an alternative pay system, must:

17.12 (1) submit to the department a letter of intent executed by the governing board
17.13 of the cooperative; and

17.14 (2) submit the record of a formal vote by the teachers employed by the cooperative
17.15 indicating at least 70 percent of all teachers agree to implement the alternative pay system.

17.16 ~~(e)~~ (d) The commissioner may waive the planning year if the commissioner
17.17 determines, based on the criteria under subdivision 2, that the school district, intermediate
17.18 school district, cooperative, site or charter school is ready to fully implement an alternative
17.19 pay system.

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

17.22 Sec. 9. Minnesota Statutes 2014, section 122A.414, subdivision 2, is amended to read:

17.23 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in
17.24 this program, a school district, intermediate school district, cooperative, school site, or
17.25 charter school must have an educational improvement plan under section 122A.413 and
17.26 an alternative teacher professional pay system agreement under paragraph (b). A charter
17.27 school participant also must comply with subdivision 2a.

17.28 (b) The alternative teacher professional pay system agreement must:

17.29 (1) describe how teachers can achieve career advancement and additional
17.30 compensation;

17.31 (2) describe how the school district, intermediate school district, cooperative,
17.32 school site, or charter school will provide teachers with career advancement options that
17.33 allow teachers to retain primary roles in student instruction and facilitate site-focused
17.34 professional development that helps other teachers improve their skills;

18.1 (3) reform the "steps and lanes" salary schedule, which may include a hiring
 18.2 bonus or other added compensation for teachers who work in a hard-to-fill position or
 18.3 hard-to-staff school setting, such as a school with a majority of students whose families
 18.4 meet federal poverty guidelines, a geographically isolated school, or a school identified by
 18.5 the state as eligible for targeted programs or services for its students. The salary schedule
 18.6 must prevent any teacher's compensation paid before implementing the pay system from
 18.7 being reduced as a result of participating in this system, base at least 60 percent of any
 18.8 compensation increase on teacher performance using:

18.9 (i) schoolwide student achievement gains under section 120B.35 or locally selected
 18.10 standardized assessment outcomes, or both;

18.11 (ii) measures of student growth and literacy that may include value-added models
 18.12 or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or
 18.13 122A.41, subdivision 5, clause (9), and other measures that include the academic literacy,
 18.14 oral academic language, and achievement of English learners under section 122A.40,
 18.15 subdivision 8, clause (10), or 122A.41, subdivision 5, clause (10); and

18.16 (iii) an objective evaluation program under section 122A.40, subdivision 8,
 18.17 paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

18.18 (4) provide for participation in job-embedded learning opportunities such as
 18.19 professional learning communities to improve instructional skills and learning that are
 18.20 aligned with student needs under section 122A.413, consistent with the staff development
 18.21 plan under section 122A.60 and led during the school day by trained teacher leaders
 18.22 such as master or mentor teachers;

18.23 (5) allow any teacher in a participating school district, intermediate school district,
 18.24 cooperative, school site, or charter school that implements an alternative pay system to
 18.25 participate in that system without any quota or other limit; and

18.26 (6) encourage collaboration rather than competition among teachers.

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

18.29 Sec. 10. Minnesota Statutes 2014, section 122A.414, subdivision 2a, is amended to read:

18.30 Subd. 2a. **Charter school applications; cooperative applications.** (a) For charter
 18.31 school applications, the board of directors of a charter school that satisfies the conditions
 18.32 under subdivisions 2 and 2b must submit to the commissioner an application that contains:

18.33 (1) an agreement to implement an alternative teacher professional pay system
 18.34 under this section;

18.35 (2) a resolution by the charter school board of directors adopting the agreement; and

19.1 (3) the record of a formal vote by the teachers employed at the charter school
 19.2 indicating that at least 70 percent of all teachers agree to implement the alternative
 19.3 teacher professional pay system, unless the charter school submits an alternative teacher
 19.4 professional pay system agreement under this section before the first year of operation.

19.5 ~~Alternative compensation revenue for a qualifying charter school must be calculated~~
 19.6 ~~under section 126C.10, subdivision 34, paragraphs (a) and (b).~~

19.7 (b) For cooperative unit applications, excluding intermediate school districts, the
 19.8 governing board of a cooperative unit that satisfies the conditions under subdivisions 2
 19.9 and 2b must submit to the commissioner an application that contains:

19.10 (1) an agreement to implement an alternative teacher professional pay system
 19.11 under this section;

19.12 (2) a resolution by the governing board adopting the agreement; and

19.13 (3) the record of a formal vote by the teachers employed at the cooperative unit
 19.14 indicating that at least 70 percent of all teachers agree to implement the alternative teacher
 19.15 professional pay system.

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

19.18 Sec. 11. Minnesota Statutes 2014, section 122A.414, subdivision 2b, is amended to read:

19.19 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and
 19.20 sections 122A.413 and 122A.415, the department must prepare and transmit to interested
 19.21 school districts, intermediate school districts, cooperatives, school sites, and charter
 19.22 schools a standard form for applying to participate in the alternative teacher professional
 19.23 pay system. The commissioner annually must establish three dates as deadlines by which
 19.24 interested applicants must submit an application to the commissioner under this section.
 19.25 An interested school district, intermediate school district, cooperative, school site, or
 19.26 charter school must submit to the commissioner a completed application executed by the
 19.27 district superintendent and the exclusive bargaining representative of the teachers if the
 19.28 applicant is a school district, intermediate school district, or school site, or executed by
 19.29 the charter school board of directors if the applicant is a charter school or executed by
 19.30 the governing board if the applicant is a cooperative unit. The application must include
 19.31 the proposed alternative teacher professional pay system agreement under subdivision
 19.32 2. The department must review a completed application within 30 days of the most
 19.33 recent application deadline and recommend to the commissioner whether to approve or
 19.34 disapprove the application. The commissioner must approve applications on a first-come,
 19.35 first-served basis. The applicant's alternative teacher professional pay system agreement

20.1 must be legally binding on the applicant and the collective bargaining representative before
 20.2 the applicant receives alternative compensation revenue. The commissioner must approve
 20.3 or disapprove an application based on the requirements under subdivisions 2 and 2a.

20.4 (b) If the commissioner disapproves an application, the commissioner must give the
 20.5 applicant timely notice of the specific reasons in detail for disapproving the application.
 20.6 The applicant may revise and resubmit its application and related documents to the
 20.7 commissioner within 30 days of receiving notice of the commissioner's disapproval and
 20.8 the commissioner must approve or disapprove the revised application, consistent with this
 20.9 subdivision. Applications that are revised and then approved are considered submitted on
 20.10 the date the applicant initially submitted the application.

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

20.13 Sec. 12. Minnesota Statutes 2014, section 122A.414, subdivision 3, is amended to read:

20.14 Subd. 3. **Report; continued funding.** (a) Participating districts, intermediate school
 20.15 districts, cooperatives, school sites, and charter schools must report on the implementation
 20.16 and effectiveness of the alternative teacher professional pay system, particularly
 20.17 addressing each requirement under subdivision 2 and make annual recommendations by
 20.18 June 15 to their school boards. The school board ~~or~~, board of directors, or governing board
 20.19 shall transmit a copy of the report with a summary of the findings and recommendations
 20.20 of the district, intermediate school district, cooperative, school site, or charter school to
 20.21 the commissioner.

20.22 (b) If the commissioner determines that a school district, intermediate school district,
 20.23 cooperative, school site, or charter school that receives alternative teacher compensation
 20.24 revenue is not complying with the requirements of this section, the commissioner
 20.25 may withhold funding from that participant. Before making the determination, the
 20.26 commissioner must notify the participant of any deficiencies and provide the participant
 20.27 an opportunity to comply.

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

20.30 Sec. 13. Minnesota Statutes 2014, section 122A.415, is amended to read:

20.31 **122A.415 ALTERNATIVE COMPENSATION REVENUE.**

20.32 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,
 20.33 cooperative unit as defined in section 123A.24, subdivision 2, school site, or charter

21.1 school that meets the conditions of section 122A.414 and submits an application approved
 21.2 by the commissioner is eligible for alternative teacher compensation revenue.

21.3 (b) For school district and intermediate school district applications, the commissioner
 21.4 must consider only those applications to participate that are submitted jointly by a
 21.5 district and the exclusive representative of the teachers. The application must contain an
 21.6 alternative teacher professional pay system agreement that:

21.7 (1) implements an alternative teacher professional pay system consistent with
 21.8 section 122A.414; and

21.9 (2) is negotiated and adopted according to the Public Employment Labor Relations
 21.10 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a
 21.11 district may enter into a contract for a term of two or four years.

21.12 Alternative teacher compensation revenue for a qualifying school district or site in
 21.13 which the school board and the exclusive representative of the teachers agree to place
 21.14 teachers in the district or at the site on the alternative teacher professional pay system equals
 21.15 \$260 times the number of pupils enrolled at the district or site on October 1 of the previous
 21.16 fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school
 21.17 district or cooperative must be calculated under subdivision 4, paragraph ~~(a)~~ (b).

21.18 (c) For a newly combined or consolidated district, the revenue shall be computed
 21.19 using the sum of pupils enrolled on October 1 of the previous year in the districts entering
 21.20 into the combination or consolidation. The commissioner may adjust the revenue computed
 21.21 for a site using prior year data to reflect changes attributable to school closings, school
 21.22 openings, or grade level reconfigurations between the prior year and the current year.

21.23 (d) The revenue is available only to school districts, intermediate school districts,
 21.24 cooperatives, school sites, and charter schools that fully implement an alternative teacher
 21.25 professional pay system by October 1 of the current school year.

21.26 Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, cooperatives,
 21.27 school sites, or charter schools with approved applications must receive alternative
 21.28 compensation revenue for each school year that the district, intermediate school district,
 21.29 cooperative, school site, or charter school implements an alternative teacher professional
 21.30 pay system under this subdivision and section 122A.414. ~~For fiscal year 2007 and later,~~
 21.31 A qualifying district, intermediate school district, cooperative, school site, or charter
 21.32 school that received alternative teacher compensation aid for the previous fiscal year
 21.33 must receive at least an amount of alternative teacher compensation revenue equal to the
 21.34 lesser of the amount it received for the previous fiscal year or the amount it qualifies
 21.35 for under subdivision 1 for the current fiscal year if the district, intermediate school
 21.36 district, cooperative, school site, or charter school submits a timely application and the

22.1 commissioner determines that the district, intermediate school district, cooperative, school
 22.2 site, or charter school continues to implement an alternative teacher professional pay
 22.3 system, consistent with its application under this section.

22.4 (b) The commissioner shall approve applications that comply with subdivision 1,
 22.5 and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter
 22.6 school or cooperative, in the order in which they are received, select applicants that
 22.7 qualify for this program, notify school districts, intermediate school districts, cooperatives,
 22.8 school sites, and charter schools about the program, develop and disseminate application
 22.9 materials, and carry out other activities needed to implement this section.

22.10 ~~(e) For fiscal year 2008 and later, the portion of the state total basic alternative~~
 22.11 ~~teacher compensation aid entitlement allocated to charter schools must not exceed the~~
 22.12 ~~product of \$3,374,000 times the ratio of the state total charter school enrollment for the~~
 22.13 ~~previous fiscal year to the state total charter school enrollment for fiscal year 2007.~~
 22.14 ~~Additional basic alternative teacher compensation aid may be approved for charter schools~~
 22.15 ~~after August 1, not to exceed the charter school limit for the following fiscal year, if~~
 22.16 ~~the basic alternative teacher compensation aid entitlement for school districts based on~~
 22.17 ~~applications approved by August 1 does not expend the remaining amount under the limit.~~

22.18 **Subd. 4. Basic alternative teacher compensation aid.** ~~(a) For fiscal year 2015 and~~
 22.19 ~~later,~~ The basic alternative teacher compensation aid for a school with a plan approved
 22.20 under section 122A.414, subdivision 2b, equals 65 percent of the alternative teacher
 22.21 compensation revenue under subdivision 1. The basic alternative teacher compensation
 22.22 aid for ~~an intermediate school district or~~ a charter school with a plan approved under
 22.23 section 122A.414, subdivisions 2a and 2b, ~~if the recipient is a charter school,~~ equals \$260
 22.24 times the number of pupils enrolled in the school on October 1 of the previous year, or
 22.25 on October 1 of the current year for a charter school in the first year of operation, times
 22.26 the ratio of the sum of the alternative teacher compensation aid and alternative teacher
 22.27 compensation levy for all participating school districts to the maximum alternative teacher
 22.28 compensation revenue for those districts under subdivision 1.

22.29 ~~(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative~~
 22.30 ~~teacher compensation aid entitlement must not exceed \$75,636,000 for fiscal year 2015~~
 22.31 ~~and later. The commissioner must limit the amount of alternative teacher compensation~~
 22.32 ~~aid approved under this section so as not to exceed these limits~~ Basic alternative teacher
 22.33 compensation aid for an intermediate district or other cooperative unit equals \$3,000 times
 22.34 the number of licensed teachers employed by the intermediate district or cooperative unit
 22.35 on October 1 of the previous school year.

23.1 Subd. 5. **Alternative teacher compensation levy.** ~~For fiscal year 2015 and later,~~
 23.2 The alternative teacher compensation levy for a district receiving basic alternative teacher
 23.3 compensation aid equals the product of (1) the difference between the district's alternative
 23.4 teacher compensation revenue and the district's basic alternative teacher compensation
 23.5 aid, times (2) the lesser of one or the ratio of the district's adjusted net tax capacity per
 23.6 adjusted pupil unit to \$6,100.

23.7 Subd. 6. **Alternative teacher compensation equalization aid.** (a) ~~For fiscal year~~
 23.8 ~~2015 and later,~~ A district's alternative teacher compensation equalization aid equals the
 23.9 district's alternative teacher compensation revenue minus the district's basic alternative
 23.10 teacher compensation aid minus the district's alternative teacher compensation levy. If a
 23.11 district does not levy the entire amount permitted, the alternative teacher compensation
 23.12 equalization aid must be reduced in proportion to the actual amount levied.

23.13 (b) A district's alternative teacher compensation aid equals the sum of the
 23.14 district's basic alternative teacher compensation aid and the district's alternative teacher
 23.15 compensation equalization aid.

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

23.18 Sec. 14. Minnesota Statutes 2014, section 122A.74, is amended to read:

23.19 **122A.74 PRINCIPALS' LEADERSHIP ~~INSTITUTE~~ DEVELOPMENT.**

23.20 Subdivision 1. **Establishment.** (a) The commissioner of education may contract
 23.21 with the Minnesota State University Mankato ~~or~~ and the regents of the University of
 23.22 Minnesota to ~~establish a Principals' Leadership Institute to provide~~ licensed principals
 23.23 and other school leaders in Minnesota with a research-based and professionally evaluated
 23.24 professional development to school principals program focused on instructional and
 23.25 organizational leadership by:

23.26 (1) creating a network of educational leaders ~~in the educational and business~~
 23.27 ~~communities to communicate current and future trends in leadership techniques~~ to help
 23.28 all Minnesota students learn; and

23.29 (2) helping to create a vision for the school that is aligned with the community
 23.30 and district priorities;

23.31 (3) ~~developing strategies to retain highly qualified teachers and ensure that diverse~~
 23.32 ~~student populations, including at-risk students, children with disabilities, English learners,~~
 23.33 ~~and gifted students, among others, have equal access to these highly qualified teachers; and~~

23.34 (4) ~~providing training to analyze data using culturally competent tools.~~

24.1 (b) The Minnesota Principals' Academy at the University of Minnesota must and
 24.2 the Institute for Courageous Leadership at Minnesota State University Mankato may
 24.3 cooperate with participating members of the business community and educational leaders
 24.4 to provide funding and content for the institute programs.

24.5 (e) Participants must agree to attend all sessions of the Principals' Leadership
 24.6 Institute for four weeks during the academic summer Minnesota Principals' Academy or
 24.7 the Institute for Courageous Leadership.

24.8 (d) (c) ~~The Principals' Leadership Institute~~ Minnesota Principals' Academy must
 24.9 incorporate program elements offered by leadership programs at the University of
 24.10 Minnesota and program elements used by the participating members of the business
 24.11 community to enhance leadership within their businesses, and current research-based
 24.12 practices in educational leadership.

24.13 Subd. 2. **Method of Selection methods and requirements admission processes.**

24.14 (a) The board of each school district and charter school in the state may select a licensed
 24.15 principal or school leader, upon the recommendation of the district's superintendent and or
 24.16 charter school's board of directors, based on the principal's or school leader's leadership
 24.17 potential, to attend the institute apply to a program under subdivision (1), paragraph (b).

24.18 (b) The school board and the charter school board of directors annually shall
 24.19 forward ~~its list~~ their lists of recommended participants to the commissioner by February
 24.20 1. ~~In addition~~

24.21 (b) As an alternative to paragraph (a), a principal or school leader may submit an
 24.22 application by February 1 directly to the ~~commissioner by February 1~~ administrator of a
 24.23 program under subdivision (1), paragraph (b).

24.24 (c) A committee comprised of the commissioner of education or the commissioner's
 24.25 designee, the executive directors of the Minnesota Association of School Administrators,
 24.26 the Minnesota Elementary Principals Association, the Minnesota Association of
 24.27 Secondary School Principals, the Minnesota Association of Charter Schools, and Charter
 24.28 School Partners shall recommend applicants to the program administrators under
 24.29 subdivision 1, paragraph (b). The recommended applicants shall be regionally diverse
 24.30 and include charter school leaders. The program administrators shall annually select and
 24.31 notify the applicants under paragraphs (a) and (b) and their recommending organizations
 24.32 or employers of the applicants admitted to the program. The commissioner shall notify the
 24.33 school board, the principal candidates, and the University of Minnesota of the principals
 24.34 selected to participate in the Principals' Leadership Institute each year.

24.35 Subd. 3. **Program delivery.** A Minnesota Principals' Academy shall be offered
 24.36 annually in the seven-county metropolitan area and in greater Minnesota. The Minnesota

25.1 Principals' Academy in greater Minnesota shall be at one of the designated Centers of
 25.2 Excellence in cooperation with the department.

25.3 Sec. 15. Minnesota Statutes 2014, section 123B.045, is amended by adding a
 25.4 subdivision to read:

25.5 Subd. 7. **Teacher-powered schools; grants.** (a) For the purposes of this
 25.6 subdivision, the following terms have the meanings given to them:

25.7 (1) "launch school" means a school newly created under this section;

25.8 (2) "conversion school" means a school that is becoming a teacher-powered school
 25.9 by a teacher vote under this section; and

25.10 (3) "teacher-powered school" means a school site in which the teachers comprise the
 25.11 governance structure of the school, hold autonomies as specified in subdivision 2, and
 25.12 assume responsibility for the school's success.

25.13 (b) The commissioner shall, upon documented approval by the school board and
 25.14 the exclusive representative of the teachers in that school of a launch or conversion
 25.15 teacher-powered school, award a grant according to this paragraph:

25.16 (1) a planning grant, awarded for one year in advance of the opening of a launch or
 25.17 conversion school and not to exceed \$150,000; and

25.18 (2) a start-up grant, awarded for the initial two years of operation and not to exceed
 25.19 \$100,000 per year for a conversion school or \$225,000 per year for a launch school.

25.20 (c) After 50 percent of the grant funds have been awarded, the commissioner shall
 25.21 give preference in awarding grants to applicant school districts located in congressional
 25.22 districts in which no grants have been made.

25.23 (d) A school district receiving a grant award under this subdivision must submit an
 25.24 annual budget to the commissioner along with the documentation of the approval of the
 25.25 school by the school board and the exclusive representative of the teachers.

25.26 (e) A school district receiving a grant award must, annually by September 1 of each
 25.27 year beginning September 1, 2016, submit a report to the commissioner to be shared with
 25.28 the legislative committees having jurisdiction over kindergarten through grade 12 finance
 25.29 and policy regarding the success of teacher-powered schools. Success measures include,
 25.30 but are not limited to, the state multiple measure, surveys of parental satisfaction, and
 25.31 other measures as might be relevant to the school's special mission.

25.32 Sec. 16. Minnesota Statutes 2014, section 124D.09, subdivision 5, is amended to read:

25.33 Subd. 5. **Authorization; notification.** Notwithstanding any other law to the
 25.34 contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled

26.1 tribal contract or grant school eligible for aid under section 124D.83, except a foreign
26.2 exchange pupil enrolled in a district under a cultural exchange program, may apply to an
26.3 eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by
26.4 that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th
26.5 grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant
26.6 school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in
26.7 a district under a cultural exchange program, may apply to enroll in nonsectarian courses
26.8 offered under subdivision 10, ~~if after all 11th and 12th grade students have applied for a~~
26.9 ~~course, additional students are necessary to offer the course.~~ A 9th or 10th grade pupil's
26.10 eligibility to participate in the course is at the discretion of the school district and the
26.11 eligible postsecondary institution providing the course offered under subdivision 10. If an
26.12 institution accepts a secondary pupil for enrollment under this section, the institution shall
26.13 send written notice to the pupil, the pupil's school or school district, and the commissioner
26.14 within ten days of acceptance. The notice must indicate the course and hours of enrollment
26.15 of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must
26.16 notify the pupil about payment in the customary manner used by the institution.

26.17 Sec. 17. Minnesota Statutes 2014, section 124D.09, subdivision 8, is amended to read:

26.18 Subd. 8. **Limit on participation.** A pupil who first enrolls in grade 9 may not
26.19 enroll in postsecondary courses under this section for secondary credit for more than
26.20 the equivalent of four academic years. A pupil who first enrolls in grade 10 may not
26.21 enroll in postsecondary courses under this section for secondary credit for more than
26.22 the equivalent of three academic years. A pupil who first enrolls in grade 11 may not
26.23 enroll in postsecondary courses under this section for secondary credit for more than the
26.24 equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in
26.25 postsecondary courses under this section for secondary credit for more than the equivalent
26.26 of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary
26.27 course for secondary credit during the school year, the time of participation shall be
26.28 reduced proportionately. If a pupil is in a learning year or other year-round program and
26.29 begins each grade in the summer session, summer sessions shall not be counted against
26.30 the time of participation. If a school district determines a pupil is not on track to graduate,
26.31 the limit on participation does not apply to that pupil. A pupil who has graduated from
26.32 high school cannot participate in a program under this section. A pupil who has completed
26.33 course requirements for graduation but who has not received a diploma may participate in
26.34 the program under this section.

27.1 Sec. 18. 124D.231] FULL-SERVICE COMMUNITY SCHOOLS.

27.2 Subdivision 1. Definitions. For the purposes of this section, the following terms
27.3 have the meanings given them.

27.4 (a) "Community organization" means a nonprofit organization that has been in
27.5 existence for three years or more and serves persons within the community surrounding
27.6 the covered school site on education and other issues.

27.7 (b) "Community school consortium" means a group of schools and community
27.8 organizations that propose to work together to plan and implement community school
27.9 programming.

27.10 (c) "Community school programming" means services, activities, and opportunities
27.11 described under subdivision 2, paragraph (g).

27.12 (d) "High-quality child care or early childhood education programming" means
27.13 educational programming for preschool-aged children that is grounded in research,
27.14 consistent with best practices in the field, and provided by licensed teachers.

27.15 (e) "School site" means a school site at which an applicant has proposed or has been
27.16 funded to provide community school programming.

27.17 (f) "Site coordinator" is an individual who is responsible for aligning programming
27.18 with the needs of the school community identified in the baseline analysis.

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

27.22 (1) the school is on a development plan for continuous improvement under section
27.23 120B.35, subdivision 2; or

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

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

27.29 (c) Implementation funding of up to \$20,000 must be available for up to one year for
27.30 planning for school sites. At the end of this period, the school must submit a full-service
27.31 community school plan, pursuant to paragraph (g).

27.32 (d) The commissioner shall dispense the funds to schools with significant populations
27.33 of students receiving free or reduced-price lunches. Schools with significant homeless and
27.34 highly mobile students shall also be a priority. The commissioner must also dispense the
27.35 funds in a manner to ensure equity among urban, suburban, and greater Minnesota schools.

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

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

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

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

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

28.18 (i) identification of challenges facing the school;

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

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

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

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

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

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

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

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

- 29.1 (vi) analysis of current parent engagement strategies and their success; and
29.2 (vii) evaluation of the need for and availability of wraparound services, including,
29.3 but not limited to:
- 29.4 (A) mechanisms for meeting students' social, emotional, and physical health needs,
29.5 which may include coordination of existing services as well as the development of new
29.6 services based on student needs; and
- 29.7 (B) strategies to create a safe and secure school environment and improve school
29.8 climate and discipline, such as implementing a system of positive behavioral supports, and
29.9 taking additional steps to eliminate bullying;
- 29.10 (2) a baseline analysis of community assets and a strategic plan for utilizing
29.11 and aligning identified assets. This analysis should include, but is not limited to, a
29.12 documentation of individuals in the community, faith-based organizations, community and
29.13 neighborhood associations, colleges, hospitals, libraries, businesses, and social service
29.14 agencies who may be able to provide support and resources; and
- 29.15 (3) a baseline analysis of needs in the community surrounding the school, led by
29.16 the school leadership team, including, but not limited to:
- 29.17 (i) the need for high-quality, full-day child care and early childhood education
29.18 programs;
- 29.19 (ii) the need for physical and mental health care services for children and adults; and
29.20 (iii) the need for job training and other adult education programming.
- 29.21 (g) Each school site receiving funding under this section must establish at least two
29.22 of the following types of programming:
- 29.23 (1) early childhood:
- 29.24 (i) early childhood education; and
29.25 (ii) child care services;
- 29.26 (2) academic:
- 29.27 (i) academic support and enrichment activities, including expanded learning time;
29.28 (ii) summer or after-school enrichment and learning experiences;
29.29 (iii) job training, internship opportunities, and career counseling services;
29.30 (iv) programs that provide assistance to students who have been truant, suspended,
29.31 or expelled; and
- 29.32 (v) specialized instructional support services;
- 29.33 (3) parental involvement:
- 29.34 (i) programs that promote parental involvement and family literacy, including the
29.35 Reading First and Early Reading First programs authorized under part B of title I of the

30.1 Elementary and Secondary Education Act of 1965, United States Code, title 20, section
 30.2 6361, et seq.;

30.3 (ii) parent leadership development activities; and
 30.4 (iii) parenting education activities;
 30.5 (4) mental and physical health:

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

30.8 (ii) juvenile crime prevention and rehabilitation programs;
 30.9 (iii) home visitation services by teachers and other professionals;
 30.10 (iv) developmentally appropriate physical education;
 30.11 (v) nutrition services;
 30.12 (vi) primary health and dental care; and
 30.13 (vii) mental health counseling services;

30.14 (5) community involvement:

30.15 (i) service and service-learning opportunities;
 30.16 (ii) adult education, including instruction in English as a second language; and
 30.17 (iii) homeless prevention services;

30.18 (6) positive discipline practices; and
 30.19 (7) other programming designed to meet school and community needs identified in
 30.20 the baseline analysis and reflected in the full-service community school plan.

30.21 (h) The school leadership team at each school site must develop a full-service
 30.22 community school plan detailing the steps the school leadership team will take, including:

30.23 (1) timely establishment and consistent operation of the school leadership team;
 30.24 (2) maintenance of attendance records in all programming components;
 30.25 (3) maintenance of measurable data showing annual participation and the impact
 30.26 of programming on the participating children and adults;

30.27 (4) documentation of meaningful and sustained collaboration between the school
 30.28 and community stakeholders, including local governmental units, civic engagement
 30.29 organizations, businesses, and social service providers;

30.30 (5) establishment and maintenance of partnerships with institutions, such as
 30.31 universities, hospitals, museums, or not-for-profit community organizations to further the
 30.32 development and implementation of community school programming;

30.33 (6) ensuring compliance with the district nondiscrimination policy; and
 30.34 (7) plan for school leadership team development.

30.35 Subd. 3. Full-service community school review. (a) Every three years, a
 30.36 full-service community school site must submit to the commissioner, and make available

31.1 at the school site and online, a report describing efforts to integrate community school
31.2 programming at each covered school site and the effect of the transition to a full-service
31.3 community school on participating children and adults. This report shall include, but
31.4 is not limited to, the following:

31.5 (1) an assessment of the effectiveness of the school site in development or
31.6 implementing the community school plan;

31.7 (2) problems encountered in the design and execution of the community school
31.8 plan, including identification of any federal, state, or local statute or regulation impeding
31.9 program implementation;

31.10 (3) the operation of the school leadership team and its contribution to successful
31.11 execution of the community school plan;

31.12 (4) recommendations for improving delivery of community school programming
31.13 to students and families;

31.14 (5) the number and percentage of students receiving community school programming
31.15 who had not previously been served;

31.16 (6) the number and percentage of nonstudent community members receiving
31.17 community school programming who had not previously been served;

31.18 (7) improvement in retention among students who receive community school
31.19 programming;

31.20 (8) improvement in academic achievement among students who receive community
31.21 school programming;

31.22 (9) changes in student's readiness to enter school, active involvement in learning and
31.23 in their community, physical, social and emotional health, and student's relationship with
31.24 the school and community environment;

31.25 (10) an accounting of anticipated local budget savings, if any, resulting from the
31.26 implementation of the program;

31.27 (11) improvements to the frequency or depth of families' involvement with their
31.28 children's education;

31.29 (12) assessment of community stakeholder satisfaction;

31.30 (13) assessment of institutional partner satisfaction;

31.31 (14) the ability, or anticipated ability, of the school site and partners to continue to
31.32 provide services in the absence of future funding under this section;

31.33 (15) increases in access to services for students and their families; and

31.34 (16) the degree of increased collaboration among participating agencies and private
31.35 partners.

32.1 (b) Reports submitted under this section shall be evaluated by the commissioner with
 32.2 respect to the following criteria:

32.3 (1) the effectiveness of the school or the community school consortium in
 32.4 implementing the full-service community school plan, including the degree to which
 32.5 the school site navigated difficulties encountered in the design and operation of the
 32.6 full-service community school plan, including identification of any federal, state, or local
 32.7 statute or regulation impeding program implementation;

32.8 (2) the extent to which the project has produced lessons about ways to improve
 32.9 delivery of community school programming to students;

32.10 (3) the degree to which there has been an increase in the number or percentage of
 32.11 students and nonstudents receiving community school programming;

32.12 (4) the degree to which there has been an improvement in retention of students and
 32.13 improvement in academic achievement among students receiving community school
 32.14 programming;

32.15 (5) local budget savings, if any, resulting from the implementation of the program;

32.16 (6) the degree of community stakeholder and institutional partner engagement;

32.17 (7) the ability, or anticipated ability, of the school site and partners to continue to
 32.18 provide services in the absence of future funding under this section;

32.19 (8) increases in access to services for students and their families; and

32.20 (9) the degree of increased collaboration among participating agencies and private
 32.21 partners.

32.22 **Sec. 19. [124D.501] INNOVATIVE INCUBATOR SERVICE-LEARNING**
 32.23 **GRANTS.**

32.24 **Subdivision 1. Establishment; eligibility criteria; application requirements.** (a)
 32.25 A five-year grant program is established to initiate or expand and strengthen innovative
 32.26 service-learning opportunities for students in early childhood programs through grade
 32.27 12 and thereby increase student academic achievement, and help close the academic
 32.28 achievement gap and the community, college, and career opportunity gaps.

32.29 (b) To be eligible to apply for and receive an innovative, incubator service-learning
 32.30 grant under this section, at least one public school teacher, administrator, or program
 32.31 staff member and at least one service-learning specialist, service-learning coordinator,
 32.32 or curriculum specialist employed at a public school, public school program, or school
 32.33 district must form an authentic student-adult partnership that includes one or more
 32.34 community-based organizations or government units. The partnership may invite one or
 32.35 more other individuals or entities, such as postsecondary faculty members or institutions,

33.1 parents, other community members, local businesses or business organizations, or
33.2 local media representatives to become partners or participate with the partnership,
33.3 consistent with this paragraph. Before developing and submitting a grant application to
33.4 the department, participating students must work with one or more adults who are part
33.5 of the initial partnership to identify an issue, need, or opportunity to pursue through a
33.6 service-learning partnership and identify and invite one or more possible partners to
33.7 collaborate in developing and submitting a grant application. The employing school
33.8 district that is a member of the partnership or the school district of the school or school
33.9 program that is a member of the partnership is the fiscal agent for the grant. An eligible
33.10 service-learning partnership receiving an innovation service-learning grant must:

33.11 (1) include at least a group of enrolled students, two or more school district
33.12 employees, and an eligible community-based organization or unit of government; and

33.13 (2) assist students to:

33.14 (i) actively participate in service-learning experiences that meet identified student
33.15 and community needs or opportunities;

33.16 (ii) operate collaboratively with service-learning partnership members;

33.17 (iii) align service-learning experiences with students' individualized educational
33.18 plans and programs;

33.19 (iv) apply students' knowledge and skills in their community and help solve
33.20 community problems;

33.21 (v) foster students' civic engagement; and

33.22 (vi) explore and pursue career pathways and achieve college readiness.

33.23 An eligible partnership interested in receiving a grant must apply to the commissioner of
33.24 education in the form and manner determined by the commissioner. Consistent with this
33.25 subdivision, the application must describe how the applicant will: with guidance from
33.26 the service-learning partnership, incorporate student-designed and student-led service
33.27 learning into the school curriculum or in specific courses or across subject areas; provide
33.28 students with instruction and experiences during the school day using service-learning
33.29 best practices and an option to supplement their service-learning experiences outside the
33.30 school day; align service-learning opportunities with state and local academic standards;
33.31 and make implementing service-learning best practices an educational priority. The
33.32 application also must indicate how the partnership intends to provide student-designed,
33.33 student-led service-learning experiences that meet genuine community needs or develop
33.34 genuine community opportunities based on service-learning best practices aligned to
33.35 state academic standards. The partnership must work with a district service-learning

34.1 specialist or service-learning coordinator or a district curriculum specialist to design a
 34.2 grant application and implement an approved grant application.

34.3 Subd. 2. **Innovation grants.** The commissioner of education must award up to
 34.4 four grants of up to \$30,000 each to allow eligible partnerships, equitably distributed
 34.5 to two recipients within the seven-county metropolitan area and two recipients outside
 34.6 the seven-county metropolitan area, to provide innovative, incubator service-learning
 34.7 opportunities to students, consistent with this section. The commissioner may renew
 34.8 a grant annually as appropriations are available and consistent with the grant criteria
 34.9 established in this section and other criteria the commissioner may establish for grant
 34.10 eligibility or for renewing a grant. In order to receive a grant, a partnership must provide a
 34.11 one-to-one match in funds or in-kind contributions unless the commissioner decides to
 34.12 waive the match requirement for an applicant serving a high number of students whose
 34.13 families meet federal poverty guidelines. A partnership grantee must allocate the grant
 34.14 amount according to its grant application, which must include conveying 50 percent of the
 34.15 actual grant amount to its community-based organization or unit of government partner or
 34.16 partners to implement or help defray the direct costs of carrying out the service-learning
 34.17 strategies and activities described in the partnership's grant application.

34.18 Subd. 3. **Evaluation.** The commissioner of education must evaluate these
 34.19 innovative, incubator service-learning initiatives based on the educational and
 34.20 developmental outcomes of students participating in the service learning and include
 34.21 summary data on the characteristics and extent of students' participation in service learning,
 34.22 their development of academic skills or achievements, and their engagement in school,
 34.23 school attendance, course completion rates, opportunity to develop community, college, or
 34.24 career connections, and the graduation rates for participating high school-age students.
 34.25 The commissioner also must evaluate the success of the service-learning grants based on
 34.26 the community outcomes and community results achieved through student service-learning
 34.27 experiences and the corresponding student service activities. The commissioner must
 34.28 transmit an interim progress report on student and community outcomes and results under
 34.29 this section to the legislative committees with oversight over education by February 15,
 34.30 2019, and a final report to the same legislative committees by February 15, 2021.

34.31 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

34.32 Sec. 20. Minnesota Statutes 2014, section 124D.81, is amended to read:

34.33 **124D.81 CONTINUATION OF AMERICAN INDIAN EDUCATION GRANTS**
 34.34 **AID.**

35.1 Subdivision 1. **Grants; Procedures.** ~~Each fiscal year the commissioner of education~~
 35.2 ~~must make grants to no fewer than six American Indian education programs. At least~~
 35.3 ~~three programs must be in urban areas and at least three must be on or near reservations.~~
 35.4 ~~The board of a local district, a participating school or a group of boards may develop a~~
 35.5 ~~proposal for grants in support of American Indian education programs. Proposals A~~
 35.6 ~~school district, charter school, or American Indian-controlled tribal contract or grant~~
 35.7 ~~school enrolling at least 20 American Indian students on October 1 of the previous school~~
 35.8 ~~year, receiving federal Title 7 funding, and operating an American Indian education~~
 35.9 ~~program according to section 124D.74 is eligible for Indian education aid if it meets the~~
 35.10 ~~requirements of this section. Programs may provide for contracts for the provision of~~
 35.11 ~~program components by nonsectarian nonpublic, community, tribal, charter, or alternative~~
 35.12 ~~schools. The commissioner shall prescribe the form and manner of application for grants~~
 35.13 ~~aids, and no grant aid shall be made for a proposal program not complying with the~~
 35.14 ~~requirements of sections 124D.71 to 124D.82.~~

35.15 Subd. 2. **Plans.** ~~Each~~ To qualify for aid, an eligible district, charter school, or
 35.16 ~~participating tribal contract school submitting a proposal under subdivision 1 must~~
 35.17 ~~develop and submit with the proposal a plan for approval by the Indian education director~~
 35.18 ~~which that shall:~~

35.19 (a) Identify the measures to be used to meet the requirements of sections 124D.71 to
 35.20 124D.82;

35.21 (b) Identify the activities, methods and programs to meet the identified educational
 35.22 needs of the children to be enrolled in the program;

35.23 (c) Describe how district goals and objectives as well as the objectives of sections
 35.24 124D.71 to 124D.82 are to be achieved;

35.25 (d) Demonstrate that required and elective courses as structured do not have a
 35.26 discriminatory effect within the meaning of section 124D.74, subdivision 5;

35.27 (e) Describe how each school program will be organized, staffed, coordinated,
 35.28 and monitored; and

35.29 (f) Project expenditures for programs under sections 124D.71 to 124D.82.

35.30 Subd. 2a. **American Indian education aid.** (a) The American Indian education
 35.31 aid for an eligible district or tribal contract school equals the greater of (1) the sum of
 35.32 \$20,000 plus the product of \$63 times the difference between the number of American
 35.33 Indian students enrolled on October 1 of the previous school year and 20; or (2) if the
 35.34 district or school received a grant under this section for fiscal year 2015, the amount
 35.35 of the grant for fiscal year 2015.

36.1 (b) Notwithstanding paragraph (a), the American Indian education aid must not
36.2 exceed the district or tribal contract school's actual expenditure according to the approved
36.3 plan under subdivision 2.

36.4 Subd. 3. **Additional requirements.** Each district receiving a ~~grant~~ aid under this
36.5 section must each year conduct a count of American Indian children in the schools
36.6 of the district; test for achievement; identify the extent of other educational needs of
36.7 the children to be enrolled in the American Indian education program; and classify the
36.8 American Indian children by grade, level of educational attainment, age and achievement.
36.9 Participating schools must maintain records concerning the needs and achievements of
36.10 American Indian children served.

36.11 Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional
36.12 standards, all testing and evaluation materials and procedures utilized for the identification,
36.13 testing, assessment, and classification of American Indian children must be selected and
36.14 administered so as not to be racially or culturally discriminatory and must be valid for the
36.15 purpose of identifying, testing, assessing, and classifying American Indian children.

36.16 Subd. 5. **Records.** Participating schools and districts must keep records and afford
36.17 access to them as the commissioner finds necessary to ensure that American Indian
36.18 education programs are implemented in conformity with sections 124D.71 to 124D.82.
36.19 Each school district or participating school must keep accurate, detailed, and separate
36.20 revenue and expenditure accounts for pilot American Indian education programs funded
36.21 under this section.

36.22 Subd. 6. **Money from other sources.** A district or participating school providing
36.23 American Indian education programs shall be eligible to receive moneys for these programs
36.24 from other government agencies and from private sources when the moneys are available.

36.25 Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as
36.26 prohibiting a district or school from implementing an American Indian education program
36.27 which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for
36.28 that program is not funded pursuant to this section.

36.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
36.30 and later.

36.31 Sec. 21. Minnesota Statutes 2014, section 124D.83, subdivision 2, is amended to read:

36.32 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or
36.33 grant school that is located on a reservation within the state and that complies with the
36.34 requirements in subdivision 1 is eligible to receive tribal contract or grant school aid.
36.35 The amount of aid is derived by:

37.1 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less
 37.2 \$170, times the difference between (i) the resident pupil units as defined in section
 37.3 126C.05, subdivision 6, in average daily membership, excluding section 126C.05,
 37.4 subdivision 13, and (ii) the number of pupils for the current school year, weighted
 37.5 according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or
 37.6 123B.44 or for which the school is receiving reimbursement under section 124D.69;

37.7 (2) adding to the result in clause (1) an amount equal to the product of the formula
 37.8 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
 37.9 compensation revenue pupil units;

37.10 (3) subtracting from the result in clause (2) the amount of money allotted to the
 37.11 school by the federal government through Indian School Equalization Program of the
 37.12 Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39,
 37.13 subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for
 37.14 the base rate as applied to kindergarten through twelfth grade, excluding small school
 37.15 adjustments and additional weighting, but not money allotted through subparts F to L for
 37.16 contingency funds, school board training, student training, interim maintenance and minor
 37.17 repair, interim administration cost, prekindergarten, and operation and maintenance, and
 37.18 the amount of money that is received according to section 124D.69;

37.19 (4) dividing the result in clause (3) by the sum of the resident pupil units in average
 37.20 daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract
 37.21 compensation revenue pupil units; and

37.22 (5) multiplying the sum of the resident pupil units, including section 126C.05,
 37.23 subdivision 13, in average daily membership plus the tribal contract compensation revenue
 37.24 pupil units by the lesser of ~~\$1,500~~ \$2,376 or the result in clause (4).

37.25 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2016 and
 37.26 later.

37.27 Sec. 22. Laws 2013, chapter 116, article 3, section 35, subdivision 2, is amended to read:

37.28 Subd. 2. **Achievement and integration levy.** For fiscal year 2014 only, a district's
 37.29 achievement and integration levy equals the lesser of the district's achievement and
 37.30 integration revenue for that year or the amount the district was authorized to levy under
 37.31 Laws 2011, First Special Session chapter 11, article 2, section 49, paragraph (f).

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

37.33 Sec. 23. Laws 2014, chapter 312, article 16, section 15, is amended to read:

38.1 **Sec. 15. TEACHER DEVELOPMENT AND EVALUATION REVENUE.**

38.2 (a) For fiscal year 2015 only, teacher development and evaluation revenue for a
 38.3 school district, intermediate school district, educational cooperative, education district,
 38.4 or charter school with any school site that does not have an alternative professional pay
 38.5 system agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$302
 38.6 times the number of full-time equivalent teachers employed on October 1 of the previous
 38.7 school year in each school site without an alternative professional pay system under
 38.8 Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, revenue
 38.9 under this section must be reserved for teacher development and evaluation activities
 38.10 consistent with Minnesota Statutes, section 122A.40, subdivision 8, or Minnesota Statutes,
 38.11 section 122A.41, subdivision 5. For the purposes of this section, "teacher" has the
 38.12 meaning given it in Minnesota Statutes, section 122A.40, subdivision 1, or Minnesota
 38.13 Statutes, section 122A.41, subdivision 1.

38.14 (b) Notwithstanding paragraph (a), the state total teacher development and
 38.15 evaluation revenue entitlement must not exceed ~~\$10,000,000~~ \$10,022,000 for fiscal year
 38.16 2015. The commissioner must limit the amount of revenue under this section so as not
 38.17 to exceed this limit.

38.18 **EFFECTIVE DATE.** This section is effective retroactively from July 1, 2014.

38.19 Sec. 24. Laws 2014, chapter 312, article 16, section 16, subdivision 7, is amended to
 38.20 read:

38.21 Subd. 7. **Teacher development and evaluation.** For teacher development and
 38.22 evaluation revenue.

38.23 ~~9,000,000~~
 38.24 \$ 9,020,000 2015

38.25 The 2015 appropriation includes \$0 for 2014 and ~~\$9,000,000~~ \$9,020,000 for 2015.
 38.26 This is a onetime appropriation and is available until ~~expended~~ the end of fiscal year 2017.

38.27 **Sec. 25. AGRICULTURAL EDUCATOR GRANTS.**

38.28 Subdivision 1. **Grant program established.** A grant program is established to
 38.29 support school districts in paying agricultural education teachers for work over the
 38.30 summer with high school students in extension programs. Grants must be used to create or
 38.31 increase the availability of agricultural education teachers for students over the summer.

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

39.1 Subd. 3. **Grant awards.** Grant funding under this section must be matched
 39.2 by funding from the school district for the agricultural education teacher's summer
 39.3 employment. Grant funding for each teacher is limited to the one-half share of 30 working
 39.4 days.

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

39.10 Sec. 26. **CONCURRENT ENROLLMENT WORKING GROUP.**

39.11 Subdivision 1. **Membership.** The commissioner of education shall convene a
 39.12 working group on concurrent enrollment. Members shall be named by the commissioner
 39.13 of education and include:

39.14 (1) the commissioner of education or the commissioner's designee;

39.15 (2) the commissioner of the Office of Higher Education or the commissioner's
 39.16 designee;

39.17 (3) representatives of postsecondary institutions with concurrent enrollment
 39.18 programs including at least:

39.19 (i) one postsecondary faculty member from the University of Minnesota who has
 39.20 supervised a concurrent enrollment course;

39.21 (ii) one postsecondary faculty member from the Minnesota State Colleges and
 39.22 University system who has supervised a concurrent enrollment course;

39.23 (iii) one representative from the University of Minnesota;

39.24 (iv) one representative from the Minnesota State Colleges and Universities system;

39.25 (v) one representative from a private college with a concurrent enrollment program;

39.26 and

39.27 (vi) one postsecondary faculty member from a career and technical college who has
 39.28 supervised a concurrent enrollment program;

39.29 (4) representatives of school districts with concurrent enrollment programs,
 39.30 including at least one high school administrator, one high school teacher, and one high
 39.31 school counselor;

39.32 (5) one representative of the National Alliance of Concurrent Enrollment
 39.33 Partnerships;

39.34 (6) at least one parent who has or had children participate in a concurrent enrollment
 39.35 course;

40.1 (7) at least one student enrolled in a concurrent enrollment course for the 2015-2016
40.2 school year; and

40.3 (8) other stakeholders as determined by the commissioner.

40.4 The chair must be selected by the members at the first meeting.

40.5 Subd. 2. **Responsibilities.** (a) The working group shall review:

40.6 (1) differences between concurrent enrollment courses and the sponsoring public
40.7 postsecondary institution's equivalent course in regard to:

40.8 (i) course outline including scope, sequence of content, and methods to be employed;

40.9 (ii) final exam;

40.10 (iii) grading scale; and

40.11 (iv) nature and frequency of exams;

40.12 (2) each program's student eligibility requirements, including exceptions to the
40.13 requirements and the number of waivers to the requirements given in the past year;

40.14 (3) course prerequisites;

40.15 (4) all postsecondary institutions, both in-state and out-of-state, that have accepted
40.16 or denied transferring courses for college credit;

40.17 (5) the frequency with which courses are offered;

40.18 (6) the method of charging for delivery of concurrent instruction; and

40.19 (7) the compensation and workload of faculty supervisors of concurrent enrollment.

40.20 (b) The working group shall make recommendations, including legislative proposals
40.21 for improving the consistency of concurrent enrollment programs in regards to the items
40.22 in paragraph (a).

40.23 (c) Any costs of the working group and preparing the report under subdivision 3 must
40.24 be paid for out of the Department of Education and participating public postsecondary
40.25 institutions' current operating budgets. Postsecondary institutions must make materials
40.26 available for the study as requested by the commissioners of education and the Office of
40.27 Higher Education. All intellectual property associated with materials made available for
40.28 the study are retained by the institution or professor.

40.29 Subd. 3. **Report.** The working group must submit a report to the commissioner
40.30 of education by January 15, 2016, with their findings and recommendations. The
40.31 commissioner must prepare and submit to the education policy and finance committees of
40.32 the legislature by February 15, 2016, a written report including the working group report
40.33 and summary data on concurrent enrollment courses under Minnesota Statutes, section
40.34 124D.09, subdivision 10, consistent with this section.

41.1 Sec. 27. **EXAMINING AND DEVELOPING STATEWIDE SWIMMING**41.2 **RESOURCES.**

41.3 (a) The commissioner of education must use existing budgetary resources to
 41.4 inventory and report to the education committees of the legislature by February 1, 2016,
 41.5 on the extent of existing resources and best practices available for swimming instruction
 41.6 in Minnesota public schools.

41.7 (b) The commissioner of education must establish a work group of interested
 41.8 stakeholders, including the commissioner or commissioner's designee, the commissioner
 41.9 of health or the commissioner's designee, and representatives of K-12 physical education
 41.10 teachers, K-12 school administrators, the Minnesota school boards association, nonprofit
 41.11 fitness and recreational organizations, public parks and recreation departments, and
 41.12 other stakeholders, including community members underserved and disproportionately
 41.13 impacted by the current distribution of swimming resources, interested in swimming
 41.14 instruction and activities identified by the commissioner of education, to determine
 41.15 and report to the education committees of the legislature by February 1, 2016, on the
 41.16 curriculum, resources, personnel, and other costs needed to make swimming instruction
 41.17 available in all Minnesota public schools for children beginning at an early age. The work
 41.18 group must consider the substance of the report under paragraph (a) in preparing its report.

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

41.20 Sec. 28. **APPROPRIATIONS.**

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

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

41.26 \$ 78,331,000 2016

41.27 \$ 96,864,000 2017

41.28 The 2016 appropriation includes \$7,766,000 for 2015 and \$70,565,000 for 2016.

41.29 The 2017 appropriation includes \$7,840,000 for 2016 and \$89,024,000 for 2017.

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

41.32 \$ 65,539,000 2016

41.33 \$ 68,745,000 2017

41.34 The 2016 appropriation includes \$6,382,000 for 2015 and \$59,157,000 for 2016.

42.1 The 2017 appropriation includes \$6,573,000 for 2016 and \$62,172,000 for 2017.

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

42.4 \$ 44,552,000 2016

42.5 \$ 45,508,000 2017

42.6 The 2016 appropriation includes \$4,683,000 for 2015 and \$39,869,000 for 2016.

42.7 The 2017 appropriation includes \$4,429,000 for 2016 and \$41,079,000 for 2017.

42.8 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
 42.9 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 42.10 section 124D.87:

42.11 \$ 15,023,000 2016

42.12 \$ 15,825,000 2017

42.13 Subd. 6. **Early childhood literacy programs.** For early childhood literacy
 42.14 programs under Minnesota Statutes, section 119A.50, subdivision 3:

42.15 \$ 6,675,000 2016

42.16 \$ 6,675,000 2017

42.17 Any balance in the first year does not cancel but is available in the second year. The
 42.18 base for this program in fiscal year 2018 is \$6,375,000.

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

42.21 \$ 3,424,000 2016

42.22 \$ 3,608,000 2017

42.23 The 2016 appropriation includes \$204,000 for 2015 and \$3,220,000 for 2016.

42.24 The 2017 appropriation includes \$357,000 for 2016 and \$3,251,000 for 2017.

42.25 Subd. 8. **Compensatory revenue pilot program.** For grants for participation in the
 42.26 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,
 42.27 article 1, section 50, as amended by Laws 2007, chapter 146, article 1, section 21:

42.28 \$ 7,325,000 2016

42.29 \$ 7,325,000 2017

42.30 (a) In fiscal years 2016 and 2017, grants shall be awarded in the following amounts:
 42.31 \$4,730,000 is for a grant to Independent School District No. 11, Anoka-Hennepin;
 42.32 \$240,000 is for a grant to Independent School District No. 286, Brooklyn Center; \$660,000
 42.33 is for a grant to Independent School District No. 279, Osseo; \$500,000 is for a grant to
 42.34 Independent School District No. 281, Robbinsdale; \$520,000 is for a grant to Independent
 42.35 School District No. 535, Rochester; \$205,000 is for a grant to Independent School District

43.1 No. 833, South Washington; and \$470,000 is for a grant to Independent School District No.
 43.2 241, Albert Lea. If a grant to a specific school district is not awarded, the commissioner
 43.3 may increase the aid amounts to any of the remaining participating school districts.

43.4 (b) The base for this program in fiscal year 2018 and later is \$2,325,000. Grants
 43.5 shall be awarded in the same amount as under Laws 2011, First Special Session chapter
 43.6 11, article 1, section 36: \$1,500,000 is for a grant to Independent School District No.
 43.7 11, Anoka-Hennepin; \$75,000 is for a grant to Independent School District No. 286,
 43.8 Brooklyn Center; \$210,000 is for a grant to Independent School District No. 279, Osseo;
 43.9 \$160,000 is for a grant to Independent School District No. 281, Robbinsdale; \$165,000 is
 43.10 for a grant to Independent School District No. 535, Rochester; \$65,000 is for a grant to
 43.11 Independent School District No. 833, South Washington; and \$150,000 is for a grant to
 43.12 Independent School District No. 241, Albert Lea.

43.13 (c) The commissioner of education must submit a report by February 15, 2016, to the
 43.14 education committees of the legislature evaluating the effectiveness of the pilot program.

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

43.17 \$ 4,000,000 2016

43.18 \$ 4,000,000 2017

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

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

43.22 Subd. 10. **Student support services personnel grants.** For student support services
 43.23 personnel grants under Minnesota Statutes, section 121A.3951:

43.24 \$ 8,000,000 2016

43.25 Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available
 43.26 until June 30, 2021. The commissioner may not allot more than \$1,580,000 of this
 43.27 appropriation before July 1, 2016. Any balance remaining after June 30, 2021, shall
 43.28 cancel to the general fund. \$100,000 in fiscal year 2016 only is for administration of the
 43.29 Student Support Services Personnel Act under Minnesota Statutes, sections 121A.395
 43.30 to 121A.3951.

43.31 Subd. 11. **Success for the future.** For American Indian success for the future grants
 43.32 under Minnesota Statutes, section 124D.81:

43.33 \$ 237,000 2016

43.34 \$ 0 2017

43.35 The 2016 appropriation includes \$237,000 for 2015 and \$0 for 2016.

44.1 Subd. 12. **American Indian education aid.** For American Indian education aid
 44.2 under Minnesota Statutes, section 124D.81, subdivision 2a:

44.3 \$ 3,371,000 2016

44.4 \$ 3,393,000 2017

44.5 Subd. 13. **Collaborative urban educator.** For the collaborative urban educator
 44.6 grant program:

44.7 \$ 1,090,000 2016

44.8 \$ 1,090,000 2017

44.9 Grants shall be awarded in equal amounts: \$272,500 each year is for the Southeast
 44.10 Asian teacher program at Concordia University, St. Paul; \$272,500 each year is for the
 44.11 collaborative urban educator program at the University of St. Thomas; \$272,500 each year
 44.12 is for the Center for Excellence in Urban Teaching at Hamline University; and \$272,500
 44.13 each year is for the East Africa Student to Teacher program at Augsburg College.

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

44.15 Each institution shall prepare for the legislature, by January 15 of each year, a
 44.16 detailed report regarding the funds used. The report must include the number of teachers
 44.17 prepared as well as the diversity for each cohort of teachers produced.

44.18 Subd. 14. **ServeMinnesota program.** For funding ServeMinnesota programs under
 44.19 Minnesota Statutes, sections 124D.37 to 124D.45:

44.20 \$ 900,000 2016

44.21 \$ 900,000 2017

44.22 A grantee organization may provide health and child care coverage to the dependents
 44.23 of each participant enrolled in a full-time ServeMinnesota program to the extent such
 44.24 coverage is not otherwise available.

44.25 Subd. 15. **Student organizations.** For student organizations:

44.26 \$ 725,000 2016

44.27 \$ 725,000 2017

44.28 \$46,000 each year is for student organizations serving health occupations (HOSA).

44.29 \$100,000 each year is for student organizations serving trade and industry
 44.30 occupations (Skills USA, secondary and postsecondary).

44.31 \$95,000 each year is for student organizations serving business occupations (BPA,
 44.32 secondary and postsecondary).

44.33 \$193,000 each year is for student organizations serving agriculture occupations
 44.34 (FFA, PAS).

44.35 \$142,000 each year is for student organizations serving family and consumer science
 44.36 occupations (FCCLA).

45.1 \$109,000 each year is for student organizations serving marketing occupations
 45.2 (DECA and DECA collegiate).

45.3 \$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

45.5 Subd. 16. **Museums and Education Centers.** For grants to museums and education
 45.6 centers:

45.7 \$ 626,000 2016

45.8 \$ 626,000 2017

45.9 (a) \$360,000 each year is for the Minnesota Children's Museum. Of this amount,
 45.10 \$100,000 each year is a onetime appropriation.

45.11 (b) \$125,000 each year is for the Duluth Children's Museum. Of this amount,
 45.12 \$75,000 each year is a onetime appropriation.

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

45.14 (d) \$75,000 each year is for the Headwaters Science Center. This is a onetime
 45.15 appropriation.

45.16 (e) \$75,000 each year is for the Works Museum. This is a onetime appropriation.

45.17 Any balance in the first year does not cancel but is available in the second year. The
 45.18 base for this appropriation in fiscal year 2018 is \$351,000.

45.19 Subd. 17. **Teacher development and evaluation.** For teacher development and
 45.20 evaluation revenue:

45.21 \$ 1,002,000 2016

45.22 The 2016 appropriation includes \$1,002,000 for 2016 and \$0 for 2017. This is a
 45.23 onetime appropriation and is available in the second year.

45.24 Subd. 18. **Starbase MN.** For a grant to Starbase MN for rigorous science,
 45.25 technology, engineering, and math (STEM) program providing students in grades 4 to
 45.26 6 with a multisensory learning experience and a hands-on curriculum in an aerospace
 45.27 environment using state-of-the-art technology:

45.28 \$ 500,000 2016

45.29 \$ 500,000 2017

45.30 Any balance in the first year does not cancel and is available in the second year.

45.31 Subd. 19. **Recovery program grants.** For recovery program grants under
 45.32 Minnesota Statutes, section 124D.695:

45.33 \$ 500,000 2016

45.34 \$ 500,000 2017

45.35 Any balance in the first year does not cancel and is available in the second year.

46.1 Subd. 20. **STEM grants.** For school districts to provide STEM-based courses:

46.2 \$ 500,000 2016

46.3 \$ 500,000 2017

46.4 The commissioner must determine the form and manner of application and award
 46.5 criteria. Grant awards are limited to \$50,000 per course. Any balance in the first year does
 46.6 not cancel but is available in the second year of the biennium.

46.7 This is a onetime appropriation.

46.8 Subd. 21. **Teacher-powered school grants.** For grants to teacher-powered schools
 46.9 under Minnesota Statutes, section 123B.045, subdivision 7:

46.10 \$ 500,000 2016

46.11 \$ 500,000 2017

46.12 The base appropriation in fiscal year 2018 is \$0. Any balance in the first year does
 46.13 not cancel but is available in the second year.

46.14 Subd. 22. **Full-service community schools.** For full-service community schools
 46.15 under Minnesota Statutes, section 124D.231:

46.16 \$ 500,000 2016

46.17 \$ 500,000 2017

46.18 This is a onetime appropriation. Any balance in the first year does not cancel but
 46.19 is available in the second year.

46.20 Subd. 23. **Minnesota math corps program.** For the Minnesota math corps program
 46.21 under Minnesota Statutes, section 124D.42, subdivision 9:

46.22 \$ 250,000 2016

46.23 \$ 250,000 2017

46.24 Any unexpended balance in the first year does not cancel but is available in the
 46.25 second year.

46.26 Subd. 24. **Agricultural educator grants.** For agricultural educator grants under
 46.27 section 24:

46.28 \$ 250,000 2016

46.29 \$ 250,000 2017

46.30 This is a onetime appropriation. Any balance in the first year does not cancel, but
 46.31 is available in the second year.

46.32 Subd. 25. **American Indian teacher preparation grants.** For joint grants to assist
 46.33 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

46.34 \$ 230,000 2016

46.35 \$ 230,000 2017

47.1 Of this amount, \$80,000 in each year must be reserved for Bemidji State University
 47.2 and Independent School District No. 38, Red Lake.

47.3 Subd. 26. **Excellence in teaching program.** For the Board of Teaching to award
 47.4 excellence in teaching program incentive grants:

47.5 \$ 200,000 2016

47.6 \$ 200,000 2017

47.7 The Board of Teaching shall award a onetime incentive grant of up to \$2,000 to any
 47.8 Minnesota teacher who achieves National Board Certification after June 30, 2015, as long
 47.9 as funds are available. The grants must be awarded on a first-come, first-served basis.

47.10 This is a onetime appropriation. Any balance in the first year does not cancel but
 47.11 is available in the second year.

47.12 Subd. 27. **Innovative service-learning grants.** For innovative service-learning
 47.13 program grants under Minnesota Statutes, section 124D.501:

47.14 \$ 65,000 2016

47.15 \$ 65,000 2017

47.16 Any funds not expended in the first fiscal year do not cancel but carry forward to
 47.17 the second fiscal year. The Department of Education may retain up to \$10,000 of this
 47.18 appropriation to conduct the evaluation under Minnesota Statutes, section 124D.501,
 47.19 subdivision 3.

47.20 Subd. 28. **Regional office of career and technical education.** For a grant to
 47.21 the SW/WC Service Cooperative to establish a regional office of career and technical
 47.22 education:

47.23 \$ 50,000 2016

47.24 \$ 50,000 2017

47.25 The regional office of career and technical education must:

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

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

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

47.35 This is a onetime appropriation.

48.1 Subd. 29. **Civic education grants.** For grants to the Minnesota Civic Education
 48.2 Coalition, Kids Voting St. Paul, Learning Law and Democracy Foundation, and YMCA
 48.3 Youth in Government to provide civic education programs for Minnesota youth age 18
 48.4 and younger. Civic education is the study of constitutional principles and the democratic
 48.5 foundation of our national, state, and local institutions, and the study of political processes
 48.6 and structures of government, grounded in the understanding of constitutional government
 48.7 under the rule of law.

48.8 \$ 175,000 2016

48.9 \$ 175,000 2017

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

48.11 Subd. 30. **Rural science, technology, engineering, and mathematics experiential**
 48.12 learning pilot project. For a grant to the Lakes Country Service Cooperative:

48.13 \$ 285,000 2016

48.14 The grant must be used to expand career and technical education and science,
 48.15 technology, engineering, and mathematics coursework to students in multiple districts on
 48.16 a rotating basis. Eligible uses of the grant include training and curriculum development,
 48.17 the purchase and maintenance of equipment, and evaluation of the program.

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

48.19 Subd. 31. **Video resource grants.** For a grant to the Minnesota Public Television
 48.20 Association for professional development initiatives to provide prekindergarten through
 48.21 grade 12 teachers with the necessary skills to effectively incorporate public television
 48.22 video resources into classroom curriculum and instruction and to integrate regional arts,
 48.23 culture, and history videos across the curriculum in order to increase student achievement:

48.24 \$ 100,000 2016

48.25 \$ 100,000 2017

48.26 Public television stations eligible to receive grants under Minnesota Statutes, section
 48.27 129D.13, shall select teachers throughout the state to participate in training sessions and to
 48.28 develop model lessons for identifying and integrating videos on regional arts, culture, and
 48.29 history into prekindergarten through grade 12 curriculum and lesson plans.

48.30 This is a onetime appropriation. Any balance in the first year does not cancel but
 48.31 is available in the second year.

48.32 Subd. 32. **Minnesota Council on Economic Education.** For a grant to the
 48.33 Minnesota Council on Economic Education to provide staff development to teachers
 48.34 for the implementation of the state graduation standards in learning areas relating to
 48.35 economic education:

49.1 \$ 100,000 2016

49.2 \$ 100,000 2017

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

49.6 This is a onetime appropriation. Any balance in the first year does not cancel but
 49.7 is available in the second year.

49.8 Subd. 33. **Minnesota Principals' Program.** For grants to the Minnesota Principals'
 49.9 Program under Minnesota Statutes, section 122A.74, to reduce the costs to participants,
 49.10 broaden programming and accessibility, or expand the curriculum and instructional
 49.11 elements:

49.12 \$ 100,000 2016

49.13 \$ 100,000 2017

49.14 This is a onetime appropriation. Any balance in the first year does not cancel but
 49.15 is available in the second year.

49.16 Subd. 34. **Wilderness inquiry.** For a grant to wilderness inquiry:

49.17 \$ 100,000 2016

49.18 \$ 100,000 2017

49.19 Of this amount, \$70,000 in fiscal year 2016 is for a continuation of research
 49.20 establishing the socioemotional benefits of outdoor engagement leading to improved
 49.21 academic outcomes.

49.22 Of this amount, \$30,000 each year is to facilitate Minnesota teachers' participation
 49.23 in professional development focused on place-based education that furthers the research.

49.24 This is a onetime appropriation.

49.25 Subd. 35. **Race 2 Reduce.** For grants to support expanded Race 2 Reduce water
 49.26 conservation programming in Minnesota schools:

49.27 \$ 81,000 2016

49.28 \$ 69,000 2017

49.29 In the first year, \$28,000 is for H2O for Life; \$38,000 is for Independent School
 49.30 District No. 624, White Bear Lake; and \$15,000 is for Independent School District
 49.31 No. 832, Mahtomedi. In the second year, \$32,000 is for H2O for Life; \$22,000 is for
 49.32 Independent School District No. 624, White Bear Lake; and \$15,000 is for Independent
 49.33 School District No. 832, Mahtomedi.

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

50.1 Subd. 36. Network for the Development of Children of African Descent. For a
 50.2 grant to the Network for the Development of Children of African Descent:

50.3 \$ 70,000 2016

50.4 \$ 70,000 2017

50.5 This amount must be used for family literacy services and the high school
 50.6 community action research program that helps students earn high school and college credit
 50.7 while learning community action research skills. A progress report on the activities and
 50.8 outcomes associated with this grant must be submitted to the commissioner of education
 50.9 by September 15, 2016, and a final report must be submitted on September 15, 2017.

50.10 This is a onetime appropriation. Any balance in the first year does not cancel but
 50.11 is available in the second year.

50.12 Subd. 37. Minnesota Learning Resource Center. For a grant to A Chance to
 50.13 Grow for the Minnesota Learning Resource Center's comprehensive training program
 50.14 for education professionals charged with helping children in prekindergarten programs
 50.15 through grade 3 acquire basic reading and math skills:

50.16 \$ 50,000 2016

50.17 \$ 50,000 2017

50.18 This is a onetime appropriation.

50.19 Subd. 38. We Win Institute planning grant. For a planning grant to the We Win
 50.20 Institute:

50.21 \$ 50,000 2016

50.22 \$ 50,000 2017

50.23 The W. Matthew Little Cultural and Educational Excellence Center must be
 50.24 established to:

50.25 (1) develop the academic and social development of marginalized youth;

50.26 (2) develop intergenerational leadership skills;

50.27 (3) develop pathways for marginalized youth to attend and be successful in
 50.28 postsecondary education programs; and

50.29 (4) develop public-private partnerships that create success for marginalized youth.

50.30 The We Win Institute must submit a detailed report to the chairs and ranking minority
 50.31 members of the legislative committees having primary jurisdiction over early childhood
 50.32 through grade 12 education by January 18, 2017, on how the funds were used.

50.33 This is a onetime appropriation. Any balance in the first year does not cancel but
 50.34 is available in the second year.

51.1 Subd. 39. **Regional career and technical education advisory committee.** For a
 51.2 grant to the SW/WC Service Cooperative for a regional career and technical education
 51.3 advisory committee:

51.4 \$ 200,000 2016

51.5 \$ 200,000 2017

51.6 Eligible uses of this grant are:

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

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

51.13 (3) incentive and training grants to develop career and technical education
 51.14 instructors; and

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

51.17 This is a onetime appropriation.

51.18 Subd. 40. **Northwestern Online College in the High School program.** For the
 51.19 Northwestern Online College in the High School program:

51.20 \$ 50,000 2016

51.21 \$ 50,000 2017

51.22 This is a onetime appropriation. Any balance from the first year may carry forward
 51.23 into the second year.

51.24 Subd. 41. **Education Partnership Pilots.** For education partnership pilot grants:

51.25 \$ 300,000 2016

51.26 \$ 300,000 2017

51.27 Of this amount, \$100,000 in each year is for the Northfield Healthy Community
 51.28 Initiative for a pilot site in Northfield; \$100,000 in each year is for the Jones Family
 51.29 Foundation for a pilot site in Red Wing; and \$100,000 in each year is for Independent
 51.30 School District No. 742, St. Cloud, for a pilot site in St. Cloud. Each partnership pilot
 51.31 program shall support community collaborations focused on academic achievement and
 51.32 youth development, use a comprehensive and data-driven approach to increase student
 51.33 success, and measure outcomes, such as kindergarten readiness, reading proficiency at
 51.34 third grade, high school graduation, and college and career readiness. By February 15,
 51.35 2016, each partnership pilot grant recipient shall submit to the chairs and ranking minority
 51.36 members of the legislative committees with primary jurisdiction over kindergarten through

52.1 grade 12 education a report describing the activities funded by the grant, changes in
 52.2 outcome measures attributable to the grant-funded activities, and the recipient's program
 52.3 plan for the following year.

52.4 This is a onetime appropriation. Any balance from the first year may carry forward
 52.5 into the second year.

52.6 Subd. 42. **Southwest Minnesota State University Special Education Teacher**
 52.7 **Education Program.** For the Southwest Minnesota State University Special Education
 52.8 Teacher Education Program to support special education paraprofessionals working
 52.9 toward licensure in an online program.

52.10 \$ 195,000 2016

52.11 \$ 0 2017

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

52.13 This is a onetime appropriation.

52.14 ARTICLE 3

52.15 STANDARDS AND ASSESSMENTS

52.16 Section 1. Minnesota Statutes 2014, section 120B.021, subdivision 1, is amended to
 52.17 read:

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

52.20 (1) language arts;

52.21 (2) mathematics;

52.22 (3) science;

52.23 (4) social studies, including history, geography, economics, and government and
 52.24 citizenship;

52.25 (5) physical education;

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

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

52.32 (b) For purposes of applicable federal law, the academic standards for language arts,
 52.33 mathematics, and science apply to all public school students, except the very few students
 52.34 with extreme cognitive or physical impairments for whom an individualized education

53.1 program team has determined that the required academic standards are inappropriate. An
 53.2 individualized education program team that makes this determination must establish
 53.3 alternative standards.

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

53.11 (e) (d) District efforts to develop, implement, or improve instruction or curriculum
 53.12 as a result of the provisions of this section must be consistent with sections 120B.10,
 53.13 120B.11, and 120B.20.

53.14 Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 3, is amended to read:

53.15 Subd. 3. **Rulemaking.** The commissioner, consistent with the requirements of
 53.16 this section and section 120B.022, must adopt statewide rules under section 14.389 for
 53.17 implementing statewide rigorous core academic standards in language arts, mathematics,
 53.18 science, social studies, physical education, and the arts. After the rules authorized under
 53.19 this subdivision are initially adopted, the commissioner may not amend or repeal these
 53.20 rules nor adopt new rules on the same topic without specific legislative authorization. The
 53.21 academic standards for language arts, mathematics, and the arts must be implemented for
 53.22 all students beginning in the 2003-2004 school year. The academic standards for science
 53.23 and social studies must be implemented for all students beginning in the 2005-2006 school
 53.24 year.

53.25 Sec. 3. Minnesota Statutes 2014, section 120B.021, subdivision 4, is amended to read:

53.26 Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must
 53.27 revise and appropriately embed technology and information literacy standards consistent
 53.28 with recommendations from school media specialists into the state's academic standards
 53.29 and graduation requirements and implement a ten-year cycle to review and, consistent
 53.30 with the review, revise state academic standards and related benchmarks, consistent with
 53.31 this subdivision. During each ten-year review and revision cycle, the commissioner also
 53.32 must examine the alignment of each required academic standard and related benchmark
 53.33 with the knowledge and skills students need for career and college readiness and advanced
 53.34 work in the particular subject area. The commissioner must include the contributions of

54.1 Minnesota American Indian tribes and communities as related to the academic standards
54.2 during the review and revision of the required academic standards.

54.3 (b) The commissioner must ensure that the statewide mathematics assessments
54.4 administered to students in grades 3 through 8 and 11 are aligned with the state academic
54.5 standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph
54.6 (b). The commissioner must implement a review of the academic standards and related
54.7 benchmarks in mathematics beginning in the 2015-2016 school year and every ten years
54.8 thereafter.

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

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

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

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

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

54.23 ~~(g)~~ (h) School districts and charter schools must revise and align local academic
54.24 standards and high school graduation requirements in health, world languages, and career
54.25 and technical education to require students to complete the revised standards beginning
54.26 in a school year determined by the school district or charter school. School districts and
54.27 charter schools must formally establish a periodic review cycle for the academic standards
54.28 and related benchmarks in health, world languages, and career and technical education.

54.29 Sec. 4. **[120B.026] PHYSICAL EDUCATION.**

54.30 Subdivision 1. Exclusion from class; recess. A student may be excused from a
54.31 physical education class if the student submits written information signed by a physician
54.32 stating that physical activity will jeopardize the student's health. A student may be
54.33 excused from a physical education class if being excused meets the student's unique and
54.34 individualized needs according to the student's individualized education program, federal
54.35 504 plan, or individualized health plan. A student may be excused if a parent or guardian

55.1 requests an exemption on religious grounds. A student with a disability must be provided
 55.2 with modifications or adaptations that allow physical education class to meet their needs.
 55.3 Schools are strongly encouraged not to exclude students in kindergarten through grade
 55.4 5 from recess due to punishment or disciplinary action.

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

55.8 Sec. 5. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision
 55.9 to read:

55.10 Subd. 5. **ACT administration to nonpublic pupils.** By January 1, 2016, the
 55.11 Department of Education shall allow up to 100 nonpublic pupils in grades 11 and 12 to
 55.12 take the ACT exam on state testing dates, choose a testing site, and register 45 days before
 55.13 the exam's administration. The department shall notify a school district of the number of
 55.14 nonpublic pupils registered to take the ACT exam at the district's testing sites.

55.15 Sec. 6. Minnesota Statutes 2014, section 120B.30, is amended by adding a subdivision
 55.16 to read:

55.17 Subd. 6. **Commissioner-ordered suspension of assessments.** In the event that it
 55.18 becomes necessary for the commissioner to order the suspension of assessments under
 55.19 this section because of service disruptions, technical interruptions, or any other reason
 55.20 beyond the control of school districts, the commissioner must immediately notify the chair
 55.21 and ranking member of the legislative committees with jurisdiction over kindergarten
 55.22 through grade 12 education.

55.23 Sec. 7. Minnesota Statutes 2014, section 120B.36, subdivision 1, is amended to read:

55.24 Subdivision 1. **School performance reports.** (a) The commissioner shall report
 55.25 student academic performance under section 120B.35, subdivision 2; the percentages of
 55.26 students showing low, medium, and high growth under section 120B.35, subdivision
 55.27 3, paragraph (b); school safety and student engagement and connection under section
 55.28 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35,
 55.29 subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision
 55.30 3, paragraph (b), clause (2), whose progress and performance levels are meeting career
 55.31 and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35,
 55.32 subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in
 55.33 reducing disparities in students' academic achievement and realizing racial and economic

56.1 integration under section 124D.861; the acquisition of English, and where practicable,
56.2 native language academic literacy, including oral academic language, and the academic
56.3 progress of English learners under section 124D.59, subdivisions 2 and 2a; the weekly
56.4 amount of time students in kindergarten through grade 8 are scheduled to spend in physical
56.5 education class, the percent of students in kindergarten through grade 12 who receive a
56.6 passing grade in physical education, and the number of required physical education credits
56.7 high school students must complete to graduate; two separate student-to-teacher ratios that
56.8 clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15
56.9 for purposes of determining these ratios; staff characteristics excluding salaries; student
56.10 enrollment demographics; district mobility; and extracurricular activities. The report also
56.11 must indicate a school's adequate yearly progress status under applicable federal law,
56.12 and must not set any designations applicable to high- and low-performing schools due
56.13 solely to adequate yearly progress status.

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

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

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

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

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

56.28 Sec. 8. **COMMISSIONER OF EDUCATION; ASSESSMENT**
56.29 **RECOMMENDATIONS.**

56.30 The commissioner of education must research whether the Minnesota Comprehensive
56.31 Assessments can be replaced by the Measures of Academic Progress (MAP) assessments.
56.32 This study shall include assessing the alignment of the MAP to current Minnesota
56.33 state standards and whether it would meet federal accountability requirements. The
56.34 commissioner must report the recommendations to the committees of the legislature
56.35 having jurisdiction over kindergarten through grade 12 education by January 15, 2016.

57.1 Sec. 9. **MINNESOTA ASSESSMENT SYSTEM DISRUPTIONS; ASSESSMENT**
 57.2 **RESULTS.**

57.3 Notwithstanding any law to the contrary, the assessment results for any student
 57.4 whose scheduled assessment was delayed or canceled as a result of assessment system
 57.5 interruptions beyond the control of the school district during the 2014-2015 school year
 57.6 may, at the discretion of the school district, be excluded for the purposes of school and
 57.7 student indicators of growth and achievement under Minnesota Statutes, section 120B.35,
 57.8 or school performance reports under Minnesota Statutes, section 120B.36.

57.9 Sec. 10. **REALLOCATION OF MINNESOTA ASSESSMENT SYSTEM**
 57.10 **PAYMENT REDUCTIONS.**

57.11 Following each contract year of the contract for the Minnesota Assessment System,
 57.12 the commissioner of education shall distribute the amount of the agreed-upon cumulative
 57.13 payment reduction for the prior contract year to school districts and charter schools
 57.14 equally on a per pupil basis.

57.15 Sec. 11. **MINNESOTA ASSESSMENT SYSTEM CONTRACTOR**
 57.16 **PERFORMANCE REPORT.**

57.17 By February 15, 2016, the commissioner of education shall make a report to the
 57.18 committees of the legislature having jurisdiction over kindergarten through grade 12
 57.19 education describing the performance of the contractor for the Minnesota Assessment
 57.20 System, including documentation related to any payment reductions agreed to under the
 57.21 terms of the contract, summary measures of stakeholder satisfaction with the assessment
 57.22 system, and any other information the commissioner wishes to provide.

57.23 Sec. 12. **APPROPRIATIONS.**

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

57.27 Subd. 2. **Statewide testing and reporting system.** For the statewide testing and
 57.28 reporting system under Minnesota Statutes, section 120B.30:

57.29 \$ 18,865,000 2016
 57.30 \$ 18,553,000 2017

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

58.1 Subd. 3. Examination fees; teacher training and support programs. (a) For
 58.2 students' advanced placement and international baccalaureate examination fees under
 58.3 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs
 58.4 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
 58.5 subdivision 1:

58.6 \$ 4,500,000 2016

58.7 \$ 4,500,000 2017

58.8 (b) The advanced placement program shall receive 75 percent of the appropriation
 58.9 each year and the international baccalaureate program shall receive 25 percent of the
 58.10 appropriation each year. The department, in consultation with representatives of the
 58.11 advanced placement and international baccalaureate programs selected by the Advanced
 58.12 Placement Advisory Council and IBMN, respectively, shall determine the amounts of
 58.13 the expenditures each year for examination fees and training and support programs for
 58.14 each program.

58.15 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
 58.16 \$500,000 each year is for teachers to attend subject matter summer training programs
 58.17 and follow-up support workshops approved by the advanced placement or international
 58.18 baccalaureate programs. The amount of the subsidy for each teacher attending an
 58.19 advanced placement or international baccalaureate summer training program or workshop
 58.20 shall be the same. The commissioner shall determine the payment process and the amount
 58.21 of the subsidy.

58.22 (d) The commissioner shall pay all examination fees for all students of low-income
 58.23 families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent
 58.24 of available appropriations shall also pay examination fees for students sitting for an
 58.25 advanced placement examination, international baccalaureate examination, or both.

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

58.27 Subd. 4. ACT administration to nonpublic pupils. For ACT administration to
 58.28 nonpublic pupils under Minnesota Statutes, section 120B.30, subdivision 5:

58.29 \$ 5,000 2016

58.30 \$ 0 2017

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

58.32 ARTICLE 4

58.33 CHARTER SCHOOLS

58.34 Section 1. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

59.1 Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all
59.2 federal, state, and local health and safety requirements applicable to school districts.

59.3 (b) A school must comply with statewide accountability requirements governing
59.4 standards and assessments in chapter 120B.

59.5 (c) A school authorized by a school board may be located in any district, unless the
59.6 school board of the district of the proposed location disapproves by written resolution.

59.7 (d) A charter school must be nonsectarian in its programs, admission policies,
59.8 employment practices, and all other operations. An authorizer may not authorize a charter
59.9 school or program that is affiliated with a nonpublic sectarian school or a religious
59.10 institution. A charter school student must be released for religious instruction, consistent
59.11 with section 120A.22, subdivision 12, clause (3).

59.12 (e) Charter schools must not be used as a method of providing education or
59.13 generating revenue for students who are being home-schooled. This paragraph does not
59.14 apply to shared time aid under section 126C.19.

59.15 (f) The primary focus of a charter school must be to provide a comprehensive
59.16 program of instruction for at least one grade or age group from five through 18 years
59.17 of age. Instruction may be provided to people older than 18 years of age. A charter
59.18 school may offer a free preschool or prekindergarten that meets high-quality early
59.19 learning instructional program standards that are aligned with Minnesota's early learning
59.20 standards for children. A charter school with at least 90 percent of enrolled students
59.21 that are eligible for special education services and have a primary disability of deafness
59.22 or are hard-of-hearing may enroll prekindergarten pupils with a disability under section
59.23 126C.05, subdivision 1, paragraph (a).

59.24 (g) A charter school may not charge tuition.

59.25 (h) A charter school is subject to and must comply with chapter 363A and section
59.26 121A.04.

59.27 (i) Once a student is enrolled in the school, the student is considered enrolled in the
59.28 school until the student formally withdraws or is expelled under the Pupil Fair Dismissal
59.29 Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with
59.30 the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public
59.31 School Fee Law, sections 123B.34 to 123B.39.

59.32 (j) A charter school is subject to the same financial audits, audit procedures, and
59.33 audit requirements as a district, except as required under subdivision 6a. Audits must be
59.34 conducted in compliance with generally accepted governmental auditing standards, the
59.35 federal Single Audit Act, if applicable, and section 6.65. A charter school is subject
59.36 to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04;

60.1 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with
60.2 the requirements of sections 123B.75 to 123B.83, except to the extent deviations are
60.3 necessary because of the program at the school. Deviations must be approved by the
60.4 commissioner and authorizer. The Department of Education, state auditor, legislative
60.5 auditor, or authorizer may conduct financial, program, or compliance audits. A charter
60.6 school determined to be in statutory operating debt under sections 123B.81 to 123B.83
60.7 must submit a plan under section 123B.81, subdivision 4.

60.8 (k) A charter school is a district for the purposes of tort liability under chapter 466.

60.9 (l) A charter school must comply with chapters 13 and 13D; and sections 120A.22,
60.10 subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

60.11 (m) A charter school is subject to the Pledge of Allegiance requirement under
60.12 section 121A.11, subdivision 3.

60.13 (n) A charter school offering online courses or programs must comply with section
60.14 124D.095.

60.15 (o) A charter school and charter school board of directors are subject to chapter 181.

60.16 (p) A charter school must comply with section 120A.22, subdivision 7, governing
60.17 the transfer of students' educational records and sections 138.163 and 138.17 governing
60.18 the management of local records.

60.19 (q) A charter school that provides early childhood health and developmental
60.20 screening must comply with sections 121A.16 to 121A.19.

60.21 (r) A charter school that provides school-sponsored youth athletic activities must
60.22 comply with section 121A.38.

60.23 (s) A charter school is subject to and must comply with continuing truant notification
60.24 under section 260A.03.

60.25 (t) A charter school must develop and implement a teacher evaluation and peer
60.26 review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to
60.27 (13). The teacher evaluation process in this paragraph does not create any additional
60.28 employment rights for teachers.

60.29 (u) A charter school must adopt a policy, plan, budget, and process, consistent with
60.30 section 120B.11, to review curriculum, instruction, and student achievement and strive
60.31 for the world's best workforce.

60.32 (v) A charter school must comply with section 121A.031 governing policies on
60.33 prohibited conduct.

60.34 (w) A charter school must comply with all pupil transportation requirements in
60.35 section 123B.88, subdivision 1. A charter school must not require parents to surrender
60.36 their rights to pupil transportation under section 123B.88, subdivision 2.

61.1 Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 12, is amended to read:

61.2 Subd. 12. **Pupils with a disability.** A charter school must comply with sections
61.3 125A.02, 125A.03 to 125A.24, and 125A.65 and rules relating to the education of pupils
61.4 with a disability as though it were a district. A charter school enrolling prekindergarten
61.5 pupils with a disability under subdivision 8, paragraph (f), must comply with sections
61.6 125A.259 to 125A.48 and rules relating to the interagency early childhood intervention
61.7 system as though it were a district.

61.8 Sec. 3. **APPROPRIATIONS.**

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

61.12 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
61.13 Statutes, section 124D.11, subdivision 4:

61.14 \$ 66,787,000 2016

61.15 \$ 73,603,000 2017

61.16 The 2016 appropriation includes \$6,032,000 for 2015 and \$60,755,000 for 2016.

61.17 The 2017 appropriation includes \$6,750,000 for 2016 and \$66,853,000 for 2017.

61.18 ARTICLE 5

61.19 SPECIAL EDUCATION

61.20 Section 1. Minnesota Statutes 2014, section 124D.11, subdivision 1, is amended to read:

61.21 Subdivision 1. **General education revenue.** (a) General education revenue must
61.22 be paid to a charter school as though it were a district. The general education revenue
61.23 for each adjusted pupil unit is the state average general education revenue per pupil unit,
61.24 plus the referendum equalization aid allowance in the pupil's district of residence, minus
61.25 an amount equal to the product of the formula allowance according to section 126C.10,
61.26 subdivision 2, times .0466, calculated without declining enrollment revenue, local optional
61.27 revenue, basic skills revenue, extended ~~time~~ support revenue, pension adjustment revenue,
61.28 transition revenue, and transportation sparsity revenue, plus declining enrollment revenue,
61.29 basic skills revenue, extended ~~time~~ support revenue, pension adjustment revenue, and
61.30 transition revenue as though the school were a school district. The general education
61.31 revenue for each extended ~~time~~ support pupil unit equals \$4,794.

61.32 (b) Notwithstanding paragraph (a), the general education revenue for an eligible
61.33 special education charter school as defined in subdivision 5a equals the sum of the

62.1 amount determined under paragraph (a) and the school's unreimbursed cost as defined in
 62.2 subdivision 5a for educating students not eligible for special education services.

62.3 Sec. 2. Minnesota Statutes 2014, section 124D.11, subdivision 5, is amended to read:

62.4 Subd. 5. **Special education aid.** (a) Except as provided in subdivision 2, special
 62.5 education aid must be paid to a charter school according to section 125A.76, as though
 62.6 it were a school district.

62.7 (b) For fiscal year 2015 and later, the special education aid paid to the charter school
 62.8 shall be adjusted as follows:

62.9 (1) if the charter school does not receive general education revenue on behalf of
 62.10 the student according to subdivision 1, the aid shall be adjusted as provided in section
 62.11 125A.11; or

62.12 (2) if the charter school receives general education revenue on behalf of the student
 62.13 according to subdivision 1, the aid shall be adjusted as provided in section 127A.47,
 62.14 subdivision 7, paragraphs (b) to ~~(d)~~ (e).

62.15 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

62.16 Sec. 3. Minnesota Statutes 2014, section 124D.11, is amended by adding a subdivision
 62.17 to read:

62.18 Subd. 5a. **Definitions.** (a) For purposes of subdivision 5b, the terms in this
 62.19 subdivision have the meanings given.

62.20 (b) "Unreimbursed costs" means the difference between the total cost of educating
 62.21 students at the school and the total of state and federal aids and grants, excluding aid under
 62.22 subdivision 1, paragraph (b), and subdivision 5b.

62.23 (c) "Eligible special education charter school" means a charter school:

62.24 (1) where the percent of students eligible for special education services equals at
 62.25 least 90 percent of the charter school's total enrollment; and

62.26 (2) that submits to the commissioner a preliminary annual budget by June 15 prior
 62.27 to the start of the fiscal year and a revised budget by January 15 of the current fiscal
 62.28 year detailing its unreimbursed costs for educating students eligible and not eligible for
 62.29 special education services.

62.30 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

62.31 Sec. 4. Minnesota Statutes 2014, section 124D.11, is amended by adding a subdivision
 62.32 to read:

63.1 Subd. 5b. **Special education aid for eligible special education charter schools.**

63.2 (a) Notwithstanding subdivision 5, the special education aid for an eligible special
 63.3 education charter school equals the sum of the school's special education aid under
 63.4 subdivision 5, paragraph (a), and the school's approved unreimbursed cost for educating
 63.5 students eligible for special education services.

63.6 (b) The commissioner must review the budget data submitted by an eligible special
 63.7 education charter school under subdivision 5a and notify the school of the approved
 63.8 unreimbursed cost to be used for current aid payments within 30 days of receiving the
 63.9 budget from the school.

63.10 (c) For purposes of section 127A.45, subdivision 13, the aid under this subdivision
 63.11 is not subject to the 97.4 percent current fiscal year special education aid entitlement
 63.12 provision.

63.13 (d) Final aid payments must be calculated using the actual unreimbursed costs as
 63.14 determined by the department based on year-end financial and student data submitted by
 63.15 the charter school.

63.16 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

63.17 Sec. 5. Minnesota Statutes 2014, section 125A.03, is amended to read:

63.18 **125A.03 SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.**

63.19 (a) As defined in paragraph (b), every district must provide special instruction and
 63.20 services, either within the district or in another district, for all children with a disability,
 63.21 including providing required services under Code of Federal Regulations, title 34, section
 63.22 300.121, paragraph (d), to those children suspended or expelled from school for more than
 63.23 ten school days in that school year, who are residents of the district and who are disabled
 63.24 as set forth in section 125A.02. For purposes of state and federal special education laws,
 63.25 the phrase "special instruction and services" in the state Education Code means a free
 63.26 and appropriate public education provided to an eligible child with disabilities. "Free
 63.27 appropriate public education" means special education and related services that:

63.28 (1) are provided at public expense, under public supervision and direction, and
 63.29 without charge;

63.30 (2) meet the standards of the state, including the requirements of the Individuals
 63.31 with Disabilities Education Act, Part B or C;

63.32 (3) include an appropriate preschool, elementary school, or secondary school
 63.33 education; and

64.1 (4) are provided to children ages three through 21 in conformity with an
64.2 individualized education program that meets the requirements of the Individuals with
64.3 Disabilities Education Act, subpart A, sections 300.320 to 300.324, and provided to
64.4 infants and toddlers in conformity with an individualized family service plan that meets
64.5 the requirements of the Individuals with Disabilities Education Act, subpart A, sections
64.6 303.300 to 303.346.

64.7 (b) Notwithstanding any age limits in laws to the contrary, special instruction and
64.8 services must be provided from birth until July 1 after the child with a disability becomes
64.9 21 years old but shall not extend beyond secondary school or its equivalent, except as
64.10 provided in section 124D.68, subdivision 2. Local health, education, and social service
64.11 agencies must refer children under age five who are known to need or suspected of
64.12 needing special instruction and services to the school district. Districts with less than the
64.13 minimum number of eligible children with a disability as determined by the commissioner
64.14 must cooperate with other districts to maintain a full range of programs for education
64.15 and services for children with a disability. This section does not alter the compulsory
64.16 attendance requirements of section 120A.22.

64.17 (c) At the board's discretion, a school district that participates in a reciprocity
64.18 agreement with a neighboring state under section 124D.041 may enroll and provide
64.19 special instruction and services to a child from an adjoining state whose family resides
64.20 at a Minnesota address as assigned by the United States Postal Service if the district has
64.21 completed child identification procedures for that child to determine the child's eligibility
64.22 for special education services, and the child has received developmental screening under
64.23 sections 121A.16 to 121A.19.

64.24 **EFFECTIVE DATE.** This section is effective July 1, 2015.

64.25 Sec. 6. Minnesota Statutes 2014, section 125A.11, subdivision 1, is amended to read:

64.26 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and
64.27 later, when a school district provides special instruction and services for a pupil with
64.28 a disability as defined in section 125A.02 outside the district of residence, excluding
64.29 a pupil for whom an adjustment to special education aid is calculated according to
64.30 section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the
64.31 resident district must be reduced by an amount equal to (1) the actual cost of providing
64.32 special instruction and services to the pupil, including a proportionate amount for special
64.33 transportation and unreimbursed building lease and debt service costs for facilities used
64.34 primarily for special education, plus (2) the amount of general education revenue and
64.35 referendum equalization aid attributable to that pupil, calculated using the resident district's

65.1 average general education revenue and referendum equalization aid per adjusted pupil
65.2 unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity
65.3 revenue, minus (3) the amount of special education aid for children with a disability
65.4 under section 125A.76 received on behalf of that child, minus (4) if the pupil receives
65.5 special instruction and services outside the regular classroom for more than 60 percent
65.6 of the school day, the amount of general education revenue and referendum equalization
65.7 aid, excluding portions attributable to district and school administration, district support
65.8 services, operations and maintenance, capital expenditures, and pupil transportation,
65.9 attributable to that pupil for the portion of time the pupil receives special instruction
65.10 and services outside of the regular classroom, calculated using the resident district's
65.11 average general education revenue and referendum equalization aid per adjusted pupil unit
65.12 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
65.13 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
65.14 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
65.15 served by a cooperative unit without a fiscal agent school district, the general education
65.16 revenue and referendum equalization aid attributable to a pupil must be calculated using
65.17 the resident district's average general education revenue and referendum equalization aid
65.18 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
65.19 revenue. Special education aid paid to the district or cooperative providing special
65.20 instruction and services for the pupil must be increased by the amount of the reduction in
65.21 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
65.22 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
65.23 expenditures on the resident school district's books of account under sections 123B.75
65.24 and 123B.76. If the resident district's special education aid is insufficient to make the full
65.25 adjustment, the remaining adjustment shall be made to other state aid due to the district.

65.26 (b) Notwithstanding paragraph (a), when a charter school receiving special education
65.27 aid under section 124D.11, subdivision 5b, provides special instruction and services for
65.28 a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
65.29 adjustment to special education aid is calculated according to section 127A.46, subdivision
65.30 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced
65.31 by an amount equal to that calculated under paragraph (a) as if the charter school received
65.32 aid under section 124D.11, subdivision 5. Notwithstanding paragraph (a), special education
65.33 aid paid to the charter school providing special instruction and services for the pupil must
65.34 not be increased by the amount of the reduction in the aid paid to the resident district.

65.35 (c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs
65.36 (b) to (d), a charter school where more than 30 percent of enrolled students receive special

66.1 education and related services, a site approved under section 125A.515, an intermediate
 66.2 district, a special education cooperative, or a school district that served as the applicant
 66.3 agency for a group of school districts for federal special education aids for fiscal year
 66.4 2006 may apply to the commissioner for authority to charge the resident district an
 66.5 additional amount to recover any remaining unreimbursed costs of serving pupils with
 66.6 a disability. The application must include a description of the costs and the calculations
 66.7 used to determine the unreimbursed portion to be charged to the resident district. Amounts
 66.8 approved by the commissioner under this paragraph must be included in the tuition billings
 66.9 or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs
 66.10 (b) to (d), as applicable.

66.11 ~~(e)~~ (d) For purposes of this subdivision and section 127A.47, subdivision 7,
 66.12 paragraph (b), "general education revenue and referendum equalization aid" means
 66.13 the sum of the general education revenue according to section 126C.10, subdivision 1,
 66.14 excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph
 66.15 (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

66.16 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

66.17 Sec. 7. Minnesota Statutes 2014, section 125A.79, subdivision 1, is amended to read:

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

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

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

66.22 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
 66.23 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
 66.24 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
 66.25 initial aid under section 125A.76, subdivision 2a; minus

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

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

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

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

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

67.7 (c) "General revenue" for a school district means the sum of the general education
 67.8 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
 67.9 revenue, local optional revenue, and total operating capital revenue. "General revenue"
 67.10 for a charter school means the sum of the general education revenue according to section
 67.11 124D.11, subdivision 1, and transportation revenue according to section 124D.11,
 67.12 subdivision 2, excluding referendum equalization aid, transportation sparsity revenue, and
 67.13 operating capital revenue.

67.14 Sec. 8. Minnesota Statutes 2014, section 127A.45, subdivision 3, is amended to read:

67.15 Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a
 67.16 district on the dates indicated an amount computed as follows: the cumulative amount
 67.17 guaranteed minus the sum of (1) the district's other district receipts through the current
 67.18 payment, and (2) the aid and credit payments through the immediately preceding payment.
 67.19 For purposes of this computation, the payment dates and the cumulative disbursement
 67.20 percentages are as follows:

67.21	Payment date	Percentage
67.22	Payment 1 July 15:	5.5
67.23	Payment 2 July 30:	8.0
67.24	Payment 3 August 15:	17.5
67.25	Payment 4 August 30:	20.0
67.26	Payment 5 September 15:	22.5
67.27	Payment 6 September 30:	25.0
67.28	Payment 7 October 15:	27.0
67.29	Payment 8 October 30:	30.0
67.30	Payment 9 November 15:	32.5
67.31	Payment 10 November 30:	36.5
67.32	Payment 11 December 15:	42.0
67.33	Payment 12 December 30:	45.0
67.34	Payment 13 January 15:	50.0
67.35	Payment 14 January 30:	54.0
67.36	Payment 15 February 15:	58.0
67.37	Payment 16 February 28:	63.0
67.38	Payment 17 March 15:	68.0

68.1	Payment 18	March 30:	74.0
68.2	Payment 19	April 15:	78.0
68.3	Payment 20	April 30:	85.0
68.4	Payment 21	May 15:	90.0
68.5	Payment 22	May 30:	95.0
68.6	Payment 23	June 20:	100.0

68.7 (b) In addition to the amounts paid under paragraph (a), the commissioner shall pay
68.8 to a school district or charter school on the dates indicated an amount computed as follows:

68.9	Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid
68.10		property tax credits established in section 273.1392
68.11	Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for
68.12		all aid entitlements except state paid property tax credits
68.13	Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year
68.14		for all aid entitlements except state paid property tax credits
68.15	Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year
68.16		for all aid entitlements except state paid property tax credits

68.17 (c) Notwithstanding paragraph (b), if the current year aid payment percentage
68.18 under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under
68.19 paragraph (a), the commissioner shall pay to a charter school on the dates indicated an
68.20 amount computed as follows:

68.21	Payment 1	July 15: 75 percent of the final adjustment for the prior fiscal year for
68.22		all aid entitlements
68.23	Payment 8	October 30: 25 percent of the final adjustment for the prior fiscal year
68.24		for all aid entitlements

68.25 (d) Notwithstanding paragraph (b), if a charter school is an eligible special education
68.26 charter school under section 124D.11, subdivision 5a, in addition to the amounts paid
68.27 under paragraph (a), the commissioner shall pay to a charter school on the dates indicated
68.28 an amount computed as follows:

68.29	<u>Payment 1</u>	<u>July 15: 75 percent of the final adjustment for the prior fiscal year for</u>
68.30		<u>all aid entitlements</u>
68.31	<u>Payment 8</u>	<u>October 30: 25 percent of the final adjustment for the prior fiscal year</u>
68.32		<u>for all aid entitlements</u>

68.33 Sec. 9. Minnesota Statutes 2014, section 127A.47, subdivision 7, is amended to read:

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

68.38 (b) For purposes of this subdivision, the "unreimbursed cost of providing special
68.39 education and services" means the difference between: (1) the actual cost of providing

69.1 special instruction and services, including special transportation and unreimbursed building
69.2 lease and debt service costs for facilities used primarily for special education, for a pupil
69.3 with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51,
69.4 who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives
69.5 special instruction and services outside the regular classroom for more than 60 percent of
69.6 the school day, the amount of general education revenue and referendum equalization aid
69.7 as defined in section 125A.11, subdivision 1, paragraph ~~(e)~~ (d), attributable to that pupil
69.8 for the portion of time the pupil receives special instruction and services outside of the
69.9 regular classroom, excluding portions attributable to district and school administration,
69.10 district support services, operations and maintenance, capital expenditures, and pupil
69.11 transportation, minus (3) special education aid under section 125A.76 attributable to
69.12 that pupil, that is received by the district providing special instruction and services. For
69.13 purposes of this paragraph, general education revenue and referendum equalization aid
69.14 attributable to a pupil must be calculated using the serving district's average general
69.15 education revenue and referendum equalization aid per adjusted pupil unit.

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

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

69.24 (e) Notwithstanding paragraph (c), special education aid paid to a resident district
69.25 must be reduced under paragraph (d) for students at a charter school receiving special
69.26 education aid under section 124D.11, subdivision 5b, calculated as if the charter school
69.27 received special education aid under section 124D.11, subdivision 5.

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

69.34 (g) Notwithstanding paragraph (a), general education aid paid to the resident district
69.35 of a nonspecial education student for whom an eligible special education charter school
69.36 receives general education aid under section 124D.11, subdivision 1, paragraph (b), must

70.1 be reduced by an amount equal to the difference between the general education aid
 70.2 attributable to the student under section 124D.11, subdivision 1, paragraph (b), and the
 70.3 general education aid that the student would have generated for the charter school under
 70.4 section 124D.11, subdivision 1, paragraph (a). For purposes of this paragraph, "nonspecial
 70.5 education student" means a student who does not meet the definition of pupil with a
 70.6 disability, as defined in section 125A.02 or the definition of a pupil in section 125A.51.

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

70.17 **EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

70.18 Sec. 10. **APPROPRIATIONS.**

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

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

70.24 \$ 1,171,029,000 2016

70.25 \$ 1,228,842,000 2017

70.26 The 2016 appropriation includes \$137,932,000 for 2015 and \$1,033,097,000 for
 70.27 2016.

70.28 The 2017 appropriation includes \$145,429,000 for 2016 and \$1,083,413,000 for
 70.29 2017.

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

70.32 \$ 361,000 2016

70.33 \$ 371,000 2017

71.1 The 2016 appropriation includes \$35,000 for 2015 and \$326,000 for 2016.

71.2 The 2017 appropriation includes \$36,000 for 2016 and \$335,000 for 2017.

71.3 Subd. 4. **Special education out-of-state tuition.** For special education out-of-state
 71.4 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

71.5 \$ 250,000 2016

71.6 \$ 250,000 2017

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

71.10 \$ 1,406,000 2016

71.11 \$ 1,629,000 2017

71.12 If the appropriation for either year is insufficient, the appropriation for the other
 71.13 year is available.

71.14 Subd. 6. **Court-placed special education revenue.** For reimbursing serving school
 71.15 districts for unreimbursed eligible expenditures attributable to children placed in the serving
 71.16 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

71.17 \$ 56,000 2016

71.18 \$ 57,000 2017

71.19 Subd. 7. **Training and technical assistance to reduce district use of seclusion and**
 71.20 **restraint.** For providing school districts with training and technical assistance to reduce
 71.21 district use of seclusion and restraint on students with complex needs:

71.22 \$ 100,000 2016

71.23 Of this appropriation, \$75,000 is available to the commissioner to reimburse school
 71.24 districts for the cost of hiring experts to provide staff training in reducing district use of
 71.25 seclusion and restraint on students with complex needs. Of this appropriation, \$25,000 is
 71.26 available to the commissioner for the costs of providing specialized training and assistance
 71.27 to school districts with a high use of seclusion and restraint on students with complex needs.
 71.28 The commissioner may contract with experts from intermediate school districts teams or
 71.29 level four programs to provide the specialized training and technical assistance. Any funds
 71.30 unexpended in fiscal year 2016 do not cancel but carry forward into the next fiscal year.

72.1 **ARTICLE 6**

72.2 **FACILITIES AND TECHNOLOGY**

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

72.4 Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service
72.5 revenue of a district is defined as follows:

72.6 (1) the amount needed to produce between five and six percent in excess of the
72.7 amount needed to meet when due the principal and interest payments on the obligations of
72.8 the district for eligible projects according to subdivision 2, including the amounts necessary
72.9 for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298,
72.10 debt service loans and, capital loans, and lease purchase payments under section 126C.40,
72.11 subdivision 2, ~~alternative facilities levies under section 123B.59, subdivision 5, paragraph~~
72.12 ~~(a), excluding long-term facilities maintenance levies under section 123B.595, minus~~

72.13 (2) the amount of debt service excess levy reduction for that school year calculated
72.14 according to the procedure established by the commissioner.

72.15 (b) The obligations in this paragraph are excluded from eligible debt service revenue:

72.16 (1) obligations under section 123B.61;

72.17 (2) the part of debt service principal and interest paid from the taconite environmental
72.18 protection fund or Douglas J. Johnson economic protection trust, excluding the portion of
72.19 taconite payments from the Iron Range school consolidation and cooperatively operated
72.20 school account under section 298.28, subdivision 7a;

72.21 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as
72.22 amended by Laws 1992, chapter 499, article 5, section 24;

72.23 (4) obligations under section 123B.62; and

72.24 (5) obligations equalized under section 123B.535.

72.25 (c) For purposes of this section, if a preexisting school district reorganized under
72.26 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement
72.27 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt
72.28 service equalization aid must be computed separately for each of the preexisting districts.

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

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

72.34 Sec. 2. Minnesota Statutes 2014, section 123B.53, subdivision 4, is amended to read:

73.1 Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization
73.2 revenue of a district equals the sum of the first tier debt service equalization revenue and
73.3 the second tier debt service equalization revenue.

73.4 (b) The first tier debt service equalization revenue of a district equals the greater
73.5 of zero or the eligible debt service revenue minus the amount raised by a levy of 15.74
73.6 percent times the adjusted net tax capacity of the district minus the second tier debt service
73.7 equalization revenue of the district.

73.8 (c) The second tier debt service equalization revenue of a district equals the greater
73.9 of zero or the eligible debt service revenue, ~~excluding alternative facilities levies under~~
73.10 ~~section 123B.59, subdivision 5,~~ minus the amount raised by a levy of 26.24 percent times
73.11 the adjusted net tax capacity of the district.

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

73.14 Sec. 3. Minnesota Statutes 2014, section 123B.57, is amended to read:

73.15 **123B.57 CAPITAL EXPENDITURE; HEALTH AND SAFETY.**

73.16 ~~Subdivision 1. **Health and safety revenue application.** (a) To receive health~~
73.17 ~~and safety revenue for any fiscal year a district must submit to the commissioner a~~
73.18 ~~capital expenditure health and safety revenue application by the date determined by the~~
73.19 ~~commissioner. The application must include a health and safety budget adopted and~~
73.20 ~~confirmed by the school district board as being consistent with the district's health and~~
73.21 ~~safety policy under subdivision 2. The budget must include the estimated cost of the~~
73.22 ~~program per Uniform Financial Accounting and Reporting Standards (UFARS) finance~~
73.23 ~~code, by fiscal year. Upon approval through the adoption of a resolution by each of an~~
73.24 ~~intermediate district's member school district boards and the approval of the Department~~
73.25 ~~of Education, a school district may include its proportionate share of the costs of health~~
73.26 ~~and safety projects for an intermediate district in its application.~~

73.27 ~~(b) Health and safety projects with an estimated cost of \$500,000 or more per~~
73.28 ~~site are not eligible for health and safety revenue. Health and safety projects with an~~
73.29 ~~estimated cost of \$500,000 or more per site that meet all other requirements for health and~~
73.30 ~~safety funding, are eligible for alternative facilities bonding and levy revenue according~~
73.31 ~~to section 123B.59. A school board shall not separate portions of a single project into~~
73.32 ~~components to qualify for health and safety revenue, and shall not combine unrelated~~
73.33 ~~projects into a single project to qualify for alternative facilities bonding and levy revenue.~~

74.1 ~~(e) The commissioner of education shall not make eligibility for health and safety~~
 74.2 ~~revenue contingent on a district's compliance status, level of program development, or~~
 74.3 ~~training. The commissioner shall not mandate additional performance criteria such as~~
 74.4 ~~training, certifications, or compliance evaluations as a prerequisite for levy approval.~~

74.5 ~~Subd. 2. **Health and safety policy.** To qualify for health and safety revenue, a~~
 74.6 ~~school board must adopt a health and safety policy. The policy must include provisions~~
 74.7 ~~for implementing a health and safety program that complies with health, safety, and~~
 74.8 ~~environmental regulations and best practices including indoor air quality management.~~

74.9 ~~Subd. 3. **Health and safety revenue.** A district's health and safety revenue~~
 74.10 ~~for a fiscal year equals the district's alternative facilities levy under section 123B.59,~~
 74.11 ~~subdivision 5, paragraph (b), plus the greater of zero or:~~

74.12 ~~(1) the sum of (a) the total approved cost of the district's hazardous substance~~
 74.13 ~~plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's~~
 74.14 ~~health and safety program for fiscal year 1990 through the fiscal year to which the levy~~
 74.15 ~~is attributable, excluding expenditures funded with bonds issued under section 123B.59~~
 74.16 ~~or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section~~
 74.17 ~~123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or~~
 74.18 ~~6; and other federal, state, or local revenues, minus~~

74.19 ~~(2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years~~
 74.20 ~~1985 through 1989 under sections 124.245 and 275.125, subdivision 11e, plus (b) the~~
 74.21 ~~district's health and safety revenue under this subdivision, for years before the fiscal year~~
 74.22 ~~to which the levy is attributable.~~

74.23 ~~Subd. 4. **Health and safety levy.** To receive health and safety revenue, a district~~
 74.24 ~~may levy an amount equal to the district's health and safety revenue as defined in~~
 74.25 ~~subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by~~
 74.26 ~~dividing the adjusted net tax capacity of the district for the year preceding the year the~~
 74.27 ~~levy is certified by the adjusted pupil units in the district for the school year to which~~
 74.28 ~~the levy is attributable, to \$3,165.~~

74.29 ~~Subd. 5. **Health and safety aid.** A district's health and safety aid is the difference~~
 74.30 ~~between its health and safety revenue and its health and safety levy. If a district does not~~
 74.31 ~~levy the entire amount permitted, health and safety aid must be reduced in proportion to~~
 74.32 ~~the actual amount levied. Health and safety aid may not be reduced as a result of reducing~~
 74.33 ~~a district's health and safety levy according to section 123B.79.~~

74.34 ~~Subd. 6. **Uses of Health and safety revenue capital projects.** (a) Health and~~
 74.35 ~~safety revenue may be used only for approved capital projects may include expenditures~~
 74.36 ~~necessary for the correction of fire and life safety hazards; design, purchase, installation,~~

75.1 maintenance, and inspection of fire protection and alarm equipment; purchase or
75.2 construction of appropriate facilities for the storage of combustible and flammable
75.3 materials; inventories and facility modifications not related to a remodeling project
75.4 to comply with lab safety requirements under section 121A.31; inspection, testing,
75.5 repair, removal or encapsulation, and disposal of asbestos-containing building materials;
75.6 cleanup and disposal of polychlorinated biphenyls; cleanup and disposal of hazardous and
75.7 infectious wastes; cleanup, removal, disposal, and repairs related to storing heating fuel or
75.8 transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section
75.9 296A.01; correction of occupational safety and health administration regulated hazards;
75.10 indoor air quality inspections, investigations, and testing; mold abatement; upgrades or
75.11 replacement of mechanical ventilation systems to meet American Society of Heating,
75.12 Refrigerating and Air Conditioning Engineers standards and State Mechanical Code;
75.13 design, materials, and installation of local exhaust ventilation systems, including required
75.14 make-up air for controlling regulated hazardous substances; correction of Department of
75.15 Health Food Code violations; correction of swimming pool hazards excluding depth
75.16 correction; playground safety inspections, repair of unsafe outdoor playground equipment,
75.17 and the installation of impact surfacing materials; bleacher repair or rebuilding to comply
75.18 with the order of a building code inspector under section 326B.112; testing and mitigation
75.19 of elevated radon hazards; lead testing; copper in water testing; cleanup after major
75.20 weather-related disasters or flooding; reduction of excessive organic and inorganic levels
75.21 in wells and capping of abandoned wells; installation and testing of boiler backflow valves
75.22 to prevent contamination of potable water; vaccinations, titers, and preventative supplies
75.23 for bloodborne pathogen compliance; costs to comply with the Janet B. Johnson Parents'
75.24 Right to Know Act; automated external defibrillators and other emergency plan equipment
75.25 and supplies specific to the district's emergency action plan; compliance with the National
75.26 Emission Standards for Hazardous Air Pollutants for school generators established by the
75.27 United States Environmental Protection Agency; and health, safety, and environmental
75.28 management costs associated with implementing the district's health and safety program
75.29 including costs to establish and operate safety committees, in school buildings or property
75.30 owned or being acquired by the district. Testing and calibration activities are permitted for
75.31 existing mechanical ventilation systems at intervals no less than every five years.

75.32 (b) For fiscal years 2014 through 2017, a school district must not include expenses
75.33 related to emission compliance projects for school generators in its health and safety
75.34 ~~revenue~~ capital projects unless it reduces its approved spending on other qualified health
75.35 and safety projects by the same amount.

76.1 ~~Subd. 6a. **Restrictions on health and safety revenue.** Notwithstanding subdivision~~
76.2 ~~6, health and safety revenue must not be used:~~

76.3 ~~(1) to finance a lease purchase agreement, installment purchase agreement, or other~~
76.4 ~~deferred payments agreement;~~

76.5 ~~(2) for the construction of new facilities, remodeling of existing facilities, or the~~
76.6 ~~purchase of portable classrooms;~~

76.7 ~~(3) for interest or other financing expenses;~~

76.8 ~~(4) for energy-efficiency projects under section 123B.65, for a building or property~~
76.9 ~~or part of a building or property used for postsecondary instruction or administration or for~~
76.10 ~~a purpose unrelated to elementary and secondary education;~~

76.11 ~~(5) for replacement of building materials or facilities including roof, walls, windows,~~
76.12 ~~internal fixtures and flooring, nonhealth and safety costs associated with demolition of~~
76.13 ~~facilities, structural repair or replacement of facilities due to unsafe conditions, violence~~
76.14 ~~prevention and facility security, ergonomics, or public announcement systems and~~
76.15 ~~emergency communication devices; or~~

76.16 ~~(6) for building and heating, ventilating and air conditioning supplies, maintenance,~~
76.17 ~~and cleaning activities. All assessments, investigations, inventories, and support~~
76.18 ~~equipment not leading to the engineering or construction of a project shall be included in~~
76.19 ~~the health, safety, and environmental management costs in subdivision 8, paragraph (a).~~

76.20 ~~Subd. 6b. **Health and safety projects.** (a) Health and safety revenue applications~~
76.21 ~~defined in subdivision 1 must be accompanied by a description of each project for which~~
76.22 ~~funding is being requested. Project descriptions must provide enough detail for an auditor~~
76.23 ~~to determine if the work qualifies for revenue. For projects other than fire and life~~
76.24 ~~safety projects, playground projects, and health, safety, and environmental management~~
76.25 ~~activities, a project description does not need to include itemized details such as material~~
76.26 ~~types, room locations, square feet, names, or license numbers. The commissioner~~
76.27 ~~may request supporting information and shall approve only projects that comply with~~
76.28 ~~subdivisions 6 and 8, as defined by the Department of Education.~~

76.29 ~~(b) Districts may request funding for allowable projects based on self-assessments,~~
76.30 ~~safety committee recommendations, insurance inspections, management assistance~~
76.31 ~~reports, fire marshal orders, or other mandates. Notwithstanding subdivision 1, paragraph~~
76.32 ~~(b), and subdivision 8, paragraph (b), for projects under \$500,000, individual project~~
76.33 ~~size for projects authorized by this subdivision is not limited and may include related~~
76.34 ~~work in multiple facilities. Health and safety management costs from subdivision 8 may~~
76.35 ~~be reported as a single project.~~

77.1 (e) All costs directly related to a project shall be reported in the appropriate Uniform
77.2 Financial Accounting and Reporting Standards (UFARS) finance code.

77.3 (d) For fire and life safety egress and all other projects exceeding \$20,000, cited
77.4 under the Minnesota Fire Code, a fire marshal plan review is required.

77.5 (e) Districts shall update project estimates with actual expenditures for each
77.6 fiscal year. If a project's final cost is significantly higher than originally approved, the
77.7 commissioner may request additional supporting information.

77.8 Subd. 6c. **Appeals process.** In the event a district is denied funding approval for
77.9 a project the district believes complies with subdivisions 6 and 8, and is not otherwise
77.10 excluded, a district may appeal the decision. All such requests must be in writing. The
77.11 commissioner shall respond in writing. A written request must contain the following:
77.12 project number; description and amount; reason for denial; unresolved questions for
77.13 consideration; reasons for reconsideration; and a specific statement of what action the
77.14 district is requesting.

77.15 Subd. 7. **Proration.** In the event that the health and safety aid available for any year
77.16 is prorated, a district having its aid prorated may levy an additional amount equal to the
77.17 amount not paid by the state due to proration.

77.18 Subd. 8. **Health, safety, and environmental management cost.** (a) "Health, safety,
77.19 and environmental management" is defined in section 123B.56.

77.20 (b) A district's cost for health, safety, and environmental management is limited to
77.21 the lesser of:

77.22 (1) actual cost to implement their plan; or

77.23 (2) an amount determined by the commissioner, based on enrollment, building
77.24 age, and size.

77.25 (e) The department may contract with regional service organizations, private
77.26 contractors, Minnesota Safety Council, or state agencies to provide management
77.27 assistance to school districts for health and safety capital projects. Management assistance
77.28 is the development of written programs for the identification, recognition and control of
77.29 hazards, and prioritization and scheduling of district health and safety capital projects. The
77.30 commissioner shall not mandate management assistance or exclude private contractors
77.31 from the opportunity to provide any health and safety services to school districts.

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

77.34 Sec. 4. **[123B.595] LONG-TERM FACILITIES MAINTENANCE REVENUE.**

78.1 Subdivision 1. **Long-term facilities maintenance revenue.** (a) For fiscal year
78.2 2017 only, long-term facilities maintenance revenue equals the greater of (1) \$193 times
78.3 the district's adjusted pupil units times the lesser of one or the ratio of the district's
78.4 average building age to 35 years, plus the cost approved by the commissioner for indoor
78.5 air quality, fire alarm and suppression, and asbestos abatement projects under section
78.6 123B.57, subdivision 6, with an estimated cost of \$100,000 or more per site or (2) the
78.7 sum of the amount the district would have qualified for under Minnesota Statutes 2014,
78.8 section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes
78.9 2014, section 123B.591.

78.10 (b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the
78.11 greater of (1) \$292 times the district's adjusted pupil units times the lesser of one or the
78.12 ratio of the district's average building age to 35 years, plus the cost approved by the
78.13 commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement
78.14 projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more
78.15 per site or (2) the sum of the amount the district would have qualified for under Minnesota
78.16 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
78.17 Statutes 2014, section 123B.591.

78.18 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals
78.19 the greater of (1) \$380 times the district's adjusted pupil units times the lesser of one or
78.20 the ratio of the district's average building age to 35 years, plus the cost approved by the
78.21 commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement
78.22 projects under section 123B.57, subdivision 6, with an estimated cost of \$100,000 or more
78.23 per site or (2) the sum of the amount the district would have qualified for under Minnesota
78.24 Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota
78.25 Statutes 2014, section 123B.591.

78.26 Subd. 2. **Long-term facilities maintenance revenue for a charter school.** (a)
78.27 For fiscal year 2017 only, long-term facilities maintenance revenue for a charter school
78.28 equals \$34 times the adjusted pupil units.

78.29 (b) For fiscal year 2018 only, long-term facilities maintenance revenue for a charter
78.30 school equals \$85 times the adjusted pupil units.

78.31 (c) For fiscal year 2019 and later, long-term facilities maintenance revenue for a
78.32 charter school equals \$132 times the adjusted pupil units.

78.33 Subd. 3. **Intermediate districts and other cooperative units.** Upon approval
78.34 through the adoption of a resolution by each member district school board of an
78.35 intermediate district or other cooperative units under section 123A.24, subdivision 2,
78.36 and the approval of the commissioner of education, a school district may include in its

79.1 authority under this section a proportionate share of the long-term maintenance costs
79.2 of the intermediate district or cooperative unit. The cooperative unit may issue bonds
79.3 to finance the project costs or levy for the costs, using long-term maintenance revenue
79.4 transferred from member districts to make debt service payments or pay project costs.
79.5 Authority under this subdivision is in addition to the authority for individual district
79.6 projects under subdivision 1.

79.7 Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school
79.8 district or intermediate district, not including a charter school, must have a ten-year facility
79.9 plan adopted by the school board and approved by the commissioner. The plan must include
79.10 provisions for implementing a health and safety program that complies with health, safety,
79.11 and environmental regulations and best practices, including indoor air quality management.

79.12 (b) The district must annually update the plan, biennially submit a facility
79.13 maintenance plan to the commissioner, and indicate whether the district will issue bonds
79.14 to finance the plan or levy for the costs.

79.15 (c) For school districts issuing bonds to finance the plan, the plan must include a
79.16 debt service schedule demonstrating that the debt service revenue required to pay the
79.17 principal and interest on the bonds each year will not exceed the projected long-term
79.18 facilities revenue for that year.

79.19 Subd. 5. **Bond authorization.** (a) A school district may issue general obligation
79.20 bonds under this section to finance facilities plans approved by its board and the
79.21 commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with.
79.22 The authority to issue bonds under this section is in addition to any bonding authority
79.23 authorized by this chapter or other law. The amount of bonding authority authorized
79.24 under this section must be disregarded in calculating the bonding or net debt limits of this
79.25 chapter, or any other law other than section 475.53, subdivision 4.

79.26 (b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds,
79.27 or the final certification of levies under subdivision 6, the district must publish notice
79.28 of the intended projects, the amount of the bond issue, and the total amount of district
79.29 indebtedness.

79.30 (c) The portion of revenue under this section for bonded debt must be recognized
79.31 in the debt service fund.

79.32 Subd. 6. **Levy authorization.** A district may levy for costs related to an approved
79.33 plan under subdivision 4 as follows:

79.34 (1) if the district has indicated to the commissioner that bonds will be issued, the
79.35 district may levy for the principal and interest payments on outstanding bonds issued
79.36 under subdivision 5 after reduction for any aid receivable under subdivision 9;

80.1 (2) if the district has indicated to the commissioner that the plan will be funded
80.2 through levy, the district may levy according to the schedule approved in the plan after
80.3 reduction for any aid receivable under subdivision 9; or

80.4 (3) if the debt service revenue for a district required to pay the principal and interest
80.5 on bonds issued under subdivision 5 exceeds the district's long-term facilities maintenance
80.6 revenue for the same fiscal year, the district's general fund levy must be reduced by the
80.7 amount of the excess.

80.8 Subd. 7. **Long-term facilities maintenance equalization revenue.** (a) For fiscal
80.9 year 2017 only, a district's long-term facilities maintenance equalization revenue equals
80.10 the lesser of (1) \$193 times the adjusted pupil units or (2) the district's revenue under
80.11 subdivision 1.

80.12 (b) For fiscal year 2018 only, a district's long-term facilities maintenance
80.13 equalization revenue equals the lesser of (1) \$292 times the adjusted pupil units or (2)
80.14 the district's revenue under subdivision 1.

80.15 (c) For fiscal year 2019 and later, a district's long-term facilities maintenance
80.16 equalization revenue equals the lesser of (1) \$380 times the adjusted pupil units or (2)
80.17 the district's revenue under subdivision 1.

80.18 Subd. 8. **Long-term facilities maintenance equalization levy.** For fiscal year 2017
80.19 and later, a district's long-term facilities maintenance equalization levy equals the lesser of
80.20 (1) its long-term facilities maintenance equalization revenue times the lesser of one or
80.21 the ratio of its adjusted net tax capacity per adjusted pupil unit in the year preceding the
80.22 year the levy is certified to 123 percent of the state average adjusted net tax capacity per
80.23 adjusted pupil unit in the year preceding the year the levy is certified or (2) the greater
80.24 of zero or the district's long-term facilities maintenance equalization revenue minus the
80.25 amount of aid the district received for fiscal year 2015 under Minnesota Statutes 2014,
80.26 section 123B.59, subdivision 6.

80.27 Subd. 9. **Long-term facilities maintenance equalization aid.** A district's long-term
80.28 facilities maintenance equalization aid equals the difference between its long-term
80.29 facilities maintenance equalization revenue and its long-term facilities maintenance
80.30 equalization levy.

80.31 Subd. 10. **Long-term facilities maintenance unequalized levy.** Each year, a
80.32 district may levy an amount equal to the difference between its total long-term facilities
80.33 maintenance revenue under subdivision 1 and its long-term facilities maintenance
80.34 equalization revenue.

80.35 Subd. 11. **Allowed uses for long-term facilities maintenance revenue.** (a) A
80.36 district may use revenue under this section for any of the following:

81.1 (1) deferred capital expenditures and maintenance projects necessary to prevent
 81.2 further erosion of facilities;

81.3 (2) increasing accessibility of school facilities; or

81.4 (3) health and safety capital projects under section 123B.57.

81.5 (b) A charter school may use revenue under this section for any purpose related
 81.6 to the school.

81.7 Subd. 12. **Restrictions on long-term facilities maintenance revenue.**

81.8 Notwithstanding subdivision 11, long-term facilities maintenance revenue may not be used:

81.9 (1) for the construction of new facilities, remodeling of existing facilities, or the
 81.10 purchase of portable classrooms;

81.11 (2) to finance a lease purchase agreement, installment purchase agreement, or other
 81.12 deferred payments agreement;

81.13 (3) for energy-efficiency projects under section 123B.65, for a building or property
 81.14 or part of a building or property used for postsecondary instruction or administration or for
 81.15 a purpose unrelated to elementary and secondary education; or

81.16 (4) for violence prevention and facility security, ergonomics, or public announcement
 81.17 systems and emergency communication devices.

81.18 Subd. 13. **Reserve account.** The portion of long-term facilities maintenance
 81.19 revenue not recognized under subdivision 5, paragraph (c), must be maintained in a
 81.20 reserve account within the general fund.

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

81.23 Sec. 5. Minnesota Statutes 2014, section 126C.01, subdivision 2, is amended to read:

81.24 Subd. 2. **Adjusted net tax capacity.** (a) Except as provided in paragraph (b),
 81.25 "adjusted net tax capacity" means the net tax capacity of the taxable property of the
 81.26 district as adjusted by the commissioner of revenue under sections 127A.48 and 273.1325.
 81.27 The adjusted net tax capacity for any given calendar year must be used to compute levy
 81.28 limitations for levies certified in the succeeding calendar year and aid for the school year
 81.29 beginning in the second succeeding calendar year.

81.30 (b) For purposes of the long-term maintenance facilities equalization levy under
 81.31 section 123B.595, subdivision 8, "adjusted net tax capacity" means the value described in
 81.32 paragraph (a) reduced by 50 percent of the value of class 2a agricultural land determined
 81.33 under that paragraph before the application of the growth limit under section 127A.48,
 81.34 subdivision 7.

82.1 **EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and later.

82.2 Sec. 6. Minnesota Statutes 2014, section 127A.33, is amended to read:

82.3 **127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.**

82.4 (a) The commissioner shall apportion the school endowment fund semiannually on
82.5 the first Monday in March and September in each year, to districts whose schools have
82.6 been in session at least nine months. The apportionment shall be in proportion to each
82.7 district's adjusted average daily membership during the preceding year. The apportionment
82.8 shall not be paid to a district for pupils for whom tuition is received by the district.

82.9 (b) For fiscal year 2016 and later, a district must reserve for school technology
82.10 and telecommunications infrastructure, programs, and training an amount equal to the
82.11 greater of (1) zero or (2) the total fiscal year apportionment per prior year pupil in adjusted
82.12 average daily membership minus \$31.62.

82.13 **EFFECTIVE DATE.** This section is effective July 1, 2015.

82.14 Sec. 7. **COMMISSIONER OF EDUCATION; 1:1 DEVICE PROGRAM**
82.15 **GUIDELINES.**

82.16 The commissioner of education must research existing 1:1 device programs in
82.17 Minnesota and across the country to determine best practices for Minnesota schools
82.18 implementing 1:1 device programs. By February 15, 2016, the commissioner must
82.19 develop and publish guidelines to ensure maximum effectiveness of 1:1 device programs
82.20 and make a report on the research findings to the committees of the legislature with
82.21 jurisdiction over kindergarten through grade 12 education.

82.22 Sec. 8. **FAIR SCHOOL CRYSTAL TRANSITION.**

82.23 Subdivision 1. **Student enrollment.** A student enrolled in the FAIR School
82.24 Crystal during the 2014-2015 school year and a student accepted for enrollment during
82.25 the 2015-2016 school year may continue to enroll in the FAIR School Crystal in any
82.26 year through the 2019-2020 school year. For the 2015-2016 school year and later, other
82.27 students may apply for enrollment under Minnesota Statutes, section 124D.03.

82.28 Subd. 2. **Compensatory revenue; literacy aid; alternative compensation**
82.29 **revenue.** For the 2015-2016 school year only, the Department of Education must calculate
82.30 compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR
82.31 School Crystal based on the October 1, 2014, enrollment counts.

83.1 Subd. 3. **Pupil transportation.** The district may transport a pupil enrolled in
83.2 the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016
83.3 school year to and from the FAIR School Crystal in succeeding school years regardless
83.4 of the pupil's district of residence. Pupil transportation expenses under this section are
83.5 reimbursable under Minnesota Statutes, section 124D.87.

83.6 **EFFECTIVE DATE.** This section is effective the day following the date on which
83.7 the real and personal property of the FAIR School Crystal in Crystal is conveyed to
83.8 Independent School District No. 281, Robbinsdale.

83.9 Sec. 9. **FAIR SCHOOL DOWNTOWN TRANSITION.**

83.10 Subdivision 1. **Student enrollment.** A student enrolled in the FAIR School
83.11 downtown during the 2014-2015 school year and a student accepted for enrollment during
83.12 the 2015-2016 school year may continue to enroll in the FAIR School downtown in any
83.13 year through the 2018-2019 school year. For the 2015-2016 school year and later, other
83.14 students may apply for enrollment under Minnesota Statutes, section 124D.03.

83.15 Subd. 2. **Compensatory revenue; literacy aid; alternative compensation**
83.16 **revenue.** For the 2015-2016 school year only, the Department of Education must calculate
83.17 compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR
83.18 School downtown based on the October 1, 2014, enrollment counts.

83.19 Subd. 3. **Pupil transportation.** The district may transport a pupil enrolled in the
83.20 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school
83.21 year to and from the FAIR School downtown in succeeding school years regardless of
83.22 the pupil's district of residence. Pupil transportation expenses under this section are
83.23 reimbursable under Minnesota Statutes, section 124D.87.

83.24 **EFFECTIVE DATE.** This section is effective the day following the date on which
83.25 the real and personal property of the FAIR School downtown in Minneapolis is conveyed
83.26 to Special School District No. 1, Minneapolis.

83.27 Sec. 10. **INFORMATION TECHNOLOGY CERTIFICATION PARTNERSHIP.**

83.28 Subdivision 1. **Request for proposals.** The commissioner of education shall issue
83.29 a request for proposals no later than July 1, 2015, and award a contract no later than
83.30 September 1, 2015, to a provider for the program under subdivision 3.

83.31 Subd. 2. **Eligible schools.** A school district, intermediate district, or charter school
83.32 is eligible to participate in the program under this section, as long as funds are available.

84.1 Subd. 3. **Program description; provider duties.** (a) The provider must partner
 84.2 with eligible schools to make available a program to teach information technology skills
 84.3 and competencies that are essential for career and college readiness. By December 1,
 84.4 2015, the provider must contact each eligible school and indicate how the school can
 84.5 access program services under this section.

84.6 (b) The provider shall recruit up to 200 schools to participate in the program as long
 84.7 as funds are available. The provider must engage schools on a first-come, first-served
 84.8 basis, except that no more than half of the total funds available may be used to deliver the
 84.9 program to schools located in the seven-county metropolitan area.

84.10 (c) The provider shall deliver to each participating school:

84.11 (1) a research-based information technology curriculum;

84.12 (2) online access to the curriculum;

84.13 (3) instructional software for classroom and student use;

84.14 (4) training for teachers who will be using the curriculum or instructional software;

84.15 (5) industry-recognized certification of skills and competencies in a broad array of

84.16 information technology-related skill areas; and

84.17 (6) project management, deployment, and program support, including, but not

84.18 limited to, integration with academic standards under Minnesota Statutes, section

84.19 120B.021 or 120B.022.

84.20 Subd. 4. **Department support.** The Department of Education must make support
 84.21 available to the provider, including acting as the primary liaison between schools and the
 84.22 provider and providing direction and oversight, consistent with the purposes of this section.

84.23 Subd. 5. **Report required.** By February 1, 2018, the provider and commissioner
 84.24 must jointly develop and deliver to the committees of the legislature with jurisdiction over
 84.25 kindergarten through grade 12 education, a summary report on program activities and
 84.26 outcomes, including a description of the number and location of participating schools and
 84.27 students, and the number and type of certifications earned by students.

84.28 Sec. 11. **CANCELLATION OF PREVIOUS BIENNIUM APPROPRIATION.**

84.29 The appropriation made by Laws 2014, chapter 312, article 16, section 16,

84.30 subdivision 5, is canceled.

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

84.32 Sec. 12. **APPROPRIATIONS.**

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

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

85.6 \$ 0 2016

85.7 \$ 61,236,000 2017

85.8 The 2017 appropriation includes \$0 for 2016 and \$63,440,000 for 2017.

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

85.11 \$ 20,349,000 2016

85.12 \$ 22,171,000 2017

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

85.14 The 2017 appropriation includes \$2,005,000 for 2016 and \$20,166,000 for 2017.

85.15 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
 85.16 according to Minnesota Statutes, section 123B.59, subdivision 1:

85.17 \$ 19,287,000 2016

85.18 \$ 1,928,000 2017

85.19 The 2016 appropriation includes \$1,928,000 for 2015 and \$17,359,000 for 2016.

85.20 The 2017 appropriation includes \$1,928,000 for 2016 and \$0 for 2017.

85.21 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
 85.22 access:

85.23 \$ 5,250,000 2016

85.24 \$ 5,250,000 2017

85.25 If the appropriation amount is insufficient, the commissioner shall reduce the
 85.26 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
 85.27 revenue for fiscal years 2016 and 2017 shall be prorated.

85.28 Any balance in the first year does not cancel but is available in the second year. The
 85.29 base for this program in fiscal year 2018 is \$3,750,000.

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

85.32 \$ 3,520,000 2016

85.33 \$ 345,000 2017

86.1 The 2016 appropriation includes \$409,000 for 2015 and \$3,111,000 for 2016.

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

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

86.5 \$ 501,000 2016

86.6 \$ 48,000 2017

86.7 The 2016 appropriation includes \$66,000 for 2015 and \$435,000 for 2016.

86.8 The 2017 appropriation includes \$48,000 for 2016 and \$0 for 2017.

86.9 Subd. 8. **Information technology certification partnership.** For an information
 86.10 technology certification partnership:

86.11 \$ 500,000 2016

86.12 \$ 0 2017

86.13 This is a onetime appropriation. Any balance in the first year does not cancel but is
 86.14 available in the second year. Of this appropriation, five percent is for departmental costs
 86.15 related to providing support for the information technology certification partnership.

86.16 Subd. 9. **Innovative Technology Cooperative.** For a grant to the Innovative
 86.17 Technology Cooperative under Minnesota Statutes, section 123A.215, to provide
 86.18 professional development related to technology:

86.19 \$ 150,000 2016

86.20 \$ 150,000 2017

86.21 Any balance in the first year does not cancel but is available in the second year. The base
 86.22 for this program in fiscal year 2018 is \$0.

86.23 Subd. 10. **Northwest mobile manufacturing lab.** For a grant to the Pine to Prairie
 86.24 Cooperative Center:

86.25 \$ 100,000 2016

86.26 \$ 100,000 2017

86.27 The grant must be used to establish a northwest mobile manufacturing lab program,
 86.28 containing two manufacturing labs and two welding labs, operated by Pine to Prairie
 86.29 Cooperative Center in collaboration with Northland Community and Technical College.

86.30 Any balance in the first year does not cancel but is available in the second year. The
 86.31 base for this program in fiscal year 2018 is \$0.

86.32 Subd. 11. **Anoka-Hennepin School District fabrication lab.** For a grant
 86.33 to Independent School District No. 11, Anoka-Hennepin, to purchase equipment

87.1 and software for a fabrication lab at its Secondary Technical Education Program in
87.2 collaboration with Anoka Technical College and private program partners.

87.3 \$ 100,000 2016

87.4 Sec. 13. **REPEALER.**

87.5 Minnesota Statutes 2014, sections 123B.59; and 123B.591, are repealed.

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

87.8 **ARTICLE 7**

87.9 **NUTRITION AND ACCOUNTING**

87.10 Section 1. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to
87.11 read:

87.12 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
87.13 each participating school 30 cents for each reduced-price breakfast, 55 cents for each
87.14 fully paid breakfast served to students in grades ± 2 to 12, and \$1.30 for each fully paid
87.15 breakfast served to a students in kindergarten student to grade 1.

87.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017.

87.17 Sec. 2. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

87.18 Subd. 4. **No fees.** A school that receives school breakfast aid under this section
87.19 must make breakfast available without charge to all participating students in grades ± 2
87.20 to 12 who qualify for free or reduced-price meals and to all students in kindergarten
87.21 students to grade 1.

87.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017.

87.23 Sec. 3. **COMMUNITY SERVICE FUND ACCOUNT TRANSFERS; BARNUM.**

87.24 Notwithstanding any law to the contrary, on June 30 of each year from 2015 through
87.25 2018, Independent School District No. 91, Barnum, may transfer any positive account
87.26 balances between the reserve accounts for early childhood family education and school
87.27 readiness. The annual transfer may only occur after the school board has taken public
87.28 testimony on the proposed transfer and has adopted a written resolution authorizing the
87.29 transfer.

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

88.2 Sec. 4. **FUND TRANSFER; FISCAL YEARS 2016 AND 2017.**

88.3 (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for
 88.4 fiscal years 2016 and 2017 only, the commissioner must approve a request for a fund
 88.5 transfer if the transfer does not increase state aid obligations to the district or result in
 88.6 additional property tax authority for the district. This section does not permit transfers
 88.7 from the community service fund, the food service fund, or the reserved account for staff
 88.8 development under Minnesota Statutes, section 122A.61.

88.9 (b) A school board may approve a fund transfer under paragraph (a) only after
 88.10 adopting a resolution stating the fund transfer will not diminish instructional opportunities
 88.11 for students.

88.12 **EFFECTIVE DATE.** This section is effective July 1, 2015.

88.13 Sec. 5. **APPROPRIATIONS.**

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

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

88.19 \$ 15,661,000 2016

88.20 \$ 15,818,000 2017

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

88.23 \$ 9,731,000 2016

88.24 \$ 14,552,000 2017

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

88.27 \$ 942,000 2016

88.28 \$ 942,000 2017

88.29 Subd. 5. **Summer school service replacement aid.** For summer food service
 88.30 replacement aid under Minnesota Statutes, section 124D.119:

89.1 \$ 150,000 2016

89.2 \$ 150,000 2017

89.3 **ARTICLE 8**

89.4 **LIBRARIES**

89.5 Section 1. Minnesota Statutes 2014, section 134.355, subdivision 5, is amended to read:

89.6 Subd. 5. **Base aid distribution.** ~~Five~~ Thirteen percent of the available aid funds
89.7 shall be paid to each system as base aid for basic system services.

89.8 **EFFECTIVE DATE.** This section is effective July 1, 2015.

89.9 Sec. 2. Minnesota Statutes 2014, section 134.355, subdivision 6, is amended to read:

89.10 Subd. 6. **Adjusted net tax capacity per capita distribution.** ~~Twenty-five~~
89.11 Seventeen percent of the available aid funds shall be distributed to regional public library
89.12 systems based upon the adjusted net tax capacity per capita for each member county or
89.13 participating portion of a county as calculated for the second year preceding the fiscal year
89.14 for which aid is provided. Each system's entitlement shall be calculated as follows:

89.15 (a) Multiply the adjusted net tax capacity per capita for each county or participating
89.16 portion of a county by .0082.

89.17 (b) Add sufficient aid funds that are available under this subdivision to raise the
89.18 amount of the county or participating portion of a county with the lowest value calculated
89.19 according to paragraph (a) to the amount of the county or participating portion of a county
89.20 with the next highest value calculated according to paragraph (a). Multiply the amount of
89.21 the additional aid funds by the population of the county or participating portion of a county.

89.22 (c) Continue the process described in paragraph (b) by adding sufficient aid funds
89.23 that are available under this subdivision to the amount of a county or participating portion
89.24 of a county with the next highest value calculated in paragraph (a) to raise it and the
89.25 amount of counties and participating portions of counties with lower values calculated in
89.26 paragraph (a) up to the amount of the county or participating portion of a county with the
89.27 next highest value, until reaching an amount where funds available under this subdivision
89.28 are no longer sufficient to raise the amount of a county or participating portion of a county
89.29 and the amount of counties and participating portions of counties with lower values up to
89.30 the amount of the next highest county or participating portion of a county.

89.31 (d) If the point is reached using the process in paragraphs (b) and (c) at which the
89.32 remaining aid funds under this subdivision are not adequate for raising the amount of a
89.33 county or participating portion of a county and all counties and participating portions of

90.1 counties with amounts of lower value to the amount of the county or participating portion
 90.2 of a county with the next highest value, those funds are to be divided on a per capita
 90.3 basis for all counties or participating portions of counties that received aid funds under
 90.4 the calculation in paragraphs (b) and (c).

90.5 **EFFECTIVE DATE.** This section is effective July 1, 2015.

90.6 Sec. 3. Minnesota Statutes 2014, section 134.355, subdivision 8, is amended to read:

90.7 Subd. 8. **Eligibility.** A regional public library system may apply for regional library
 90.8 telecommunications aid. ~~The aid must be used for data and video access maintenance,~~
 90.9 ~~equipment, or installation of telecommunication lines~~ on behalf of itself and member
 90.10 public libraries. The aid must be used for connections and other eligible nonvoice related
 90.11 E-rate Program category 1 services. Aid must be used for E-rate Program category 2
 90.12 services as identified in the Federal Communications Commission's eligible services list
 90.13 for the current and preceding four funding years, if sufficient funds remain once category
 90.14 1 needs are met in each funding year. To be eligible, a regional public library system must
 90.15 be officially designated by the commissioner of education as a regional public library
 90.16 system as defined in section 134.34, subdivision 3, and each of its participating cities and
 90.17 counties must meet local support levels defined in section 134.34, subdivision 1. A public
 90.18 library building that receives aid under this section must be open a minimum of 20 hours
 90.19 per week. Exceptions to the minimum open hours requirement may be granted by the
 90.20 Department of Education on request of the regional public library system for the following
 90.21 circumstances: short-term closing for emergency maintenance and repairs following a
 90.22 natural disaster; in response to exceptional economic circumstances; building repair or
 90.23 maintenance that requires public services areas to be closed; or to adjust hours of public
 90.24 service to respond to documented seasonal use patterns.

90.25 Sec. 4. Minnesota Statutes 2014, section 134.355, subdivision 9, is amended to read:

90.26 Subd. 9. **Telecommunications aid.** An application for regional library
 90.27 telecommunications aid must, at a minimum, contain information to document the
 90.28 following:

90.29 (1) the connections are adequate and employ an open network architecture that
 90.30 will ensure interconnectivity and interoperability with school districts, postsecondary
 90.31 education, or other governmental agencies;

90.32 (2) that the connection is established through the most cost-effective means and that
 90.33 the regional library has explored and coordinated connections through school districts,
 90.34 postsecondary education, or other governmental agencies;

91.1 (3) that the regional library system ~~has~~ and all member libraries included in the
 91.2 application have filed or are included in an e-rate application; and

91.3 (4) other information, as determined by the commissioner of education, to ensure
 91.4 that connections are coordinated, efficient, and cost-effective, take advantage of discounts,
 91.5 and meet applicable state standards.

91.6 The library system may include costs associated with cooperative arrangements with
 91.7 postsecondary institutions, school districts, and other governmental agencies.

91.8 Sec. 5. Minnesota Statutes 2014, section 134.355, subdivision 10, is amended to read:

91.9 Subd. 10. **Award of funds.** The commissioner of education shall develop an
 91.10 application and a reporting form and procedures for regional library telecommunications
 91.11 aid. Aid shall be based on actual costs ~~of,~~ including, but not limited to, connections, as
 91.12 documented in e-rate funding commitment decision letters for category 1 services and
 91.13 acceptable documentation for category 2 services and funds available for this purpose.
 91.14 The commissioner shall make payments directly to the regional public library system.

91.15 Sec. 6. **APPROPRIATIONS.**

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

91.19 Subd. 2. **Regional library basic system support.** For regional library basic system
 91.20 support aid under Minnesota Statutes, section 134.355:

91.21 \$ 14,920,000 2016

91.22 \$ 15,070,000 2017

91.23 The 2016 appropriation includes \$1,357,000 for 2015 and \$13,563,000 for 2016.

91.24 The 2017 appropriation includes \$1,507,000 for 2016 and \$13,563,000 for 2017.

91.25 Subd. 3. **Regional library telecommunications aid.** For regional library
 91.26 telecommunications aid under Minnesota Statutes, section 134.355:

91.27 \$ 2,300,000 2016

91.28 \$ 2,300,000 2017

91.29 The 2016 appropriation includes \$230,000 for 2015 and \$2,070,000 for 2016.

91.30 The 2017 appropriation includes \$230,000 for 2016 and \$2,070,000 for 2017.

91.31 Subd. 4. **Multicounty, multitype library systems.** For aid under Minnesota
 91.32 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

92.1 \$ 1,300,000 2016

92.2 \$ 1,300,000 2017

92.3 The 2016 appropriation includes \$130,000 for 2015 and \$1,170,000 for 2016.

92.4 The 2017 appropriation includes \$130,000 for 2016 and \$1,170,000 for 2017.

92.5 Subd. 5. **Electronic library for Minnesota.** For statewide licenses to online
 92.6 databases selected in cooperation with the Minnesota Office of Higher Education for
 92.7 school media centers, public libraries, state government agency libraries, and public
 92.8 or private college or university libraries:

92.9 \$ 900,000 2016

92.10 \$ 900,000 2017

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

ARTICLE 9

EARLY CHILDHOOD EDUCATION

92.14 Section 1. Minnesota Statutes 2014, section 124D.15, subdivision 3, is amended to read:

92.15 Subd. 3. **Program requirements.** (a) A school readiness program provider must:

92.16 (1) assess each child's cognitive and language skills with a comprehensive child
 92.17 assessment instrument when the child enters and again before the child leaves the program
 92.18 to improve program planning and implementation, communicate with parents, and
 92.19 promote kindergarten readiness;

92.20 (2) provide comprehensive program content and intentional instructional practice
 92.21 aligned with the state early childhood learning guidelines and kindergarten standards and
 92.22 based on early childhood research and professional practice that is focused on children's
 92.23 cognitive, social, emotional, and physical skills and development and prepares children
 92.24 for the transition to kindergarten, including early literacy and language skills;

92.25 (3) at the option of the school board, offer at least 500 hours per year of program
 92.26 content and instruction, including 50 summer hours, to each child who is eligible under
 92.27 subdivision 15, clause (1), except that a program provider may establish a waiting list
 92.28 consistent with subdivision 16 when funds are not available to serve every child eligible
 92.29 under subdivision 15, clause (1);

92.30 (4) coordinate appropriate kindergarten transition with parents and kindergarten
 92.31 teachers;

92.32 ~~(4)~~ (5) involve parents in program planning and decision making;

92.33 ~~(5)~~ (6) coordinate with relevant community-based services;

93.1 ~~(6)~~ (7) cooperate with adult basic education programs and other adult literacy
93.2 programs;

93.3 ~~(7)~~ (8) ensure staff-child ratios of one-to-ten and maximum group size of 20 children
93.4 with the first staff required to be a teacher; and

93.5 ~~(8)~~ (9) provide high-quality staff development in order to have teachers
93.6 knowledgeable in early childhood curriculum content, assessment, native and English
93.7 language development programs, and instruction.

93.8 (b) In order to receive aid under section 124D.16, a school readiness or preschool
93.9 program must ensure that all classroom teachers have a license issued by the Board of
93.10 Teaching or special permission by the 2019-2020 school year and later. Employees under
93.11 this section who have served as a school readiness or preschool teacher in a school district
93.12 for at least two years prior to the 2019-2020 school year are deemed to have completed
93.13 their student teaching requirement.

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

93.15 Sec. 2. Minnesota Statutes 2014, section 124D.15, subdivision 5, is amended to read:

93.16 Subd. 5. **Services with new or existing providers.** A district may contract
93.17 with a charter school or community-based organization to provide eligible children
93.18 developmentally appropriate services that meet the program requirements in subdivision
93.19 3. In the alternative, a district may pay tuition or fees to place an eligible child in an
93.20 existing program. A district may establish a new program where no existing, reasonably
93.21 accessible program meets the program requirements in subdivision 3. ~~Districts must~~
93.22 ~~submit a copy of each contract to the commissioner with the biennial plan.~~ Services may
93.23 be provided in a site-based program or in the home of the child or a combination of both.
93.24 The district may not restrict participation to district residents.

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

93.26 Sec. 3. Minnesota Statutes 2014, section 124D.15, subdivision 12, is amended to read:

93.27 Subd. 12. **Program fees.** A district must adopt a sliding fee schedule based on a
93.28 family's income but must waive a fee for a participant unable to pay. School districts must
93.29 use school readiness aid for eligible children. Children who do not meet the eligibility
93.30 requirements in subdivision 15 may participate on a fee-for-service basis. A fee may
93.31 not be charged for a four-year-old child eligible under subdivision 15, clause (1), who
93.32 is enrolled fewer than 500 hours per year.

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

94.1 Sec. 4. Minnesota Statutes 2014, section 124D.15, subdivision 15, is amended to read:

94.2 Subd. 15. **Eligibility.** A child is eligible to participate in a school readiness program
 94.3 if the child has completed health and developmental screening within 90 days of program
 94.4 enrollment under sections 121A.16 to 121A.19, and:

94.5 (1) ~~is at least three years old on September 1~~ is at least four years old on September
 94.6 1; or

94.7 (2) ~~has completed health and developmental screening within 90 days of program~~
 94.8 ~~enrollment under sections 121A.16 to 121A.19; and~~ is at least three years old on
 94.9 September 1, and has one or more of the following risk factors:

94.10 (3) ~~has one or more of the following risk factors:~~

94.11 (i) qualifies for free or reduced-price lunch;

94.12 (ii) is an English learner;

94.13 (iii) is homeless;

94.14 (iv) has an individualized education program (IEP) or an individual interagency
 94.15 intervention plan (IIIP);

94.16 (v) is identified, through health and developmental screenings under sections
 94.17 121A.16 to 121A.19, with a potential risk factor that may influence learning; or

94.18 (vi) is defined as at-risk by the school district.

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

94.20 Sec. 5. Minnesota Statutes 2014, section 124D.15, is amended by adding a subdivision
 94.21 to read:

94.22 Subd. 16. **Waiting list.** A program that has eligible children on a waiting list must
 94.23 give enrollment priority to children eligible under subdivision 15, clause (2).

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

94.26 Sec. 6. Minnesota Statutes 2014, section 124D.16, subdivision 2, is amended to read:

94.27 Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid
 94.28 for eligible prekindergarten pupils enrolled in a school readiness program under section
 94.29 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been
 94.30 approved by the commissioner.

94.31 (b) A district must receive school readiness aid equal to:

94.32 (1) the number of four-year-old children in the district on October 1 for the previous
 94.33 school year times the ratio of 50 percent of the total school readiness aid for that year to

95.1 the total number of four-year-old children reported to the commissioner for the previous
95.2 school year; plus

95.3 (2) the number of pupils enrolled in the school district from families eligible for the
95.4 free or reduced school lunch program for the previous school year times the ratio of
95.5 50 percent of the total school readiness aid for that year to the total number of pupils
95.6 in the state from families eligible for the free or reduced school lunch program for the
95.7 previous school year.

95.8 (c) For fiscal year 2016, the total school readiness aid entitlement equals
95.9 \$21,058,000. For fiscal year 2017, the total school readiness aid entitlement equals
95.10 \$74,516,000. For fiscal year ~~2015~~ 2018 and later, the total school readiness aid entitlement
95.11 equals ~~\$12,170,000~~ \$74,152,000.

95.12 (d) Aid for a district that does not offer the program described under section
95.13 124D.15, subdivision 3, must be reduced by 80 percent and the reduction reallocated
95.14 among all other districts.

95.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
95.16 and later.

95.17 Sec. 7. Minnesota Statutes 2014, section 124D.165, subdivision 2, is amended to read:

95.18 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
95.19 parents or guardians must meet the following eligibility requirements:

95.20 (1) have a child three or four years of age on September 1 of the current school year,
95.21 who has not yet started kindergarten; and

95.22 (2) have income equal to or less than 185 percent of federal poverty level income
95.23 in the current calendar year, or be able to document their child's current participation in
95.24 the free and reduced-price lunch program or child and adult care food program, National
95.25 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
95.26 Distribution Program on Indian Reservations, Food and Nutrition Act, United States
95.27 Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for
95.28 School Readiness Act of 2007; Minnesota family investment program under chapter 256J;
95.29 child care assistance programs under chapter 119B; the supplemental nutrition assistance
95.30 program; or placement in foster care under section 260C.212.

95.31 (b) Notwithstanding the other provisions of this section, a parent under age 21 who
95.32 is pursuing a high school or general education equivalency diploma is eligible for an early
95.33 learning scholarship if the parent has a child age zero to five years old and meets the
95.34 income eligibility guidelines in this subdivision.

96.1 (c) Any siblings between the ages zero to five years old of a child who has been
 96.2 awarded a scholarship under this section must be awarded a scholarship upon request,
 96.3 provided the sibling attends the same program as long as funds are available.

96.4 (d) A child who has received a scholarship under this section must continue to
 96.5 receive a scholarship each year until that child is eligible for kindergarten under section
 96.6 120A.20 and as long as funds are available.

96.7 (e) Early learning scholarships may not be counted as earned income for the
 96.8 purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L,
 96.9 Minnesota family investment program under chapter 256J, child care assistance programs
 96.10 under chapter 119B, or Head Start under the federal Improving Head Start for School
 96.11 Readiness Act of 2007.

96.12 (f) A child from an adjoining state whose family resides at a Minnesota address as
 96.13 assigned by the United States Postal Service, who has received developmental screening
 96.14 under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district,
 96.15 and whose family meets the criteria of paragraph (a) is eligible for an early learning
 96.16 scholarship under this section.

96.17 **EFFECTIVE DATE.** This section is effective July 1, 2015.

96.18 Sec. 8. **STUDY OF EARLY CHILDHOOD EFFECTIVENESS ON THIRD**
 96.19 **GRADE LITERACY.**

96.20 The Department of Education must study and, using valid student assessment data,
 96.21 report annually on the effect of public school-provided preschool, public school-provided
 96.22 all-day kindergarten, Head Start, and any federally- or state-funded early learning
 96.23 scholarships on the literacy rates of public school third grade students. An initial report shall
 96.24 be provided on February 1, 2017, and annually thereafter to the chairs and ranking minority
 96.25 members of committees of the legislature having jurisdiction over early childhood through
 96.26 grade 12 education. The department must use existing staff and resources for the report.

96.27 Sec. 9. **APPROPRIATIONS.**

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

96.31 Subd. 2. **School readiness.** For revenue for school readiness programs under
 96.32 Minnesota Statutes, sections 124D.15 and 124D.16:

97.1 \$ 20,170,000 2016

97.2 \$ 69,170,000 2017

97.3 The 2016 appropriation includes \$1,217,000 for 2015 and \$18,953,000 for 2016.

97.4 The 2017 appropriation includes \$2,105,000 for 2016 and \$67,065,000 for 2017.

97.5 Subd. 3. **Early learning scholarships.** For the early learning scholarship program
 97.6 under Minnesota Statutes, section 124D.165:

97.7 \$ 30,384,000 2016

97.8 \$ 30,384,000 2017

97.9 Up to \$950,000 each year is for administration of this program.

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

97.11 Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes,
 97.12 section 119A.52:

97.13 \$ 22,100,000 2016

97.14 \$ 22,100,000 2017

97.15 Subd. 5. **Early childhood family education aid.** For early childhood family
 97.16 education aid under Minnesota Statutes, section 124D.135:

97.17 \$ 27,997,000 2016

97.18 \$ 28,984,000 2017

97.19 The 2016 appropriation includes \$2,713,000 for 2015 and \$25,284,000 for 2016.

97.20 The 2017 appropriation includes \$2,809,000 for 2016 and \$26,175,000 for 2017.

97.21 Subd. 6. **Developmental screening aid.** For developmental screening aid under
 97.22 Minnesota Statutes, sections 121A.17 and 121A.19:

97.23 \$ 3,363,000 2016

97.24 \$ 3,369,000 2017

97.25 The 2016 appropriation includes \$338,000 for 2015 and \$3,025,000 for 2016.

97.26 The 2017 appropriation includes \$336,000 for 2016 and \$3,033,000 for 2017.

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

97.29 \$ 500,000 2016

97.30 \$ 500,000 2017

97.31 The grant must be used for an evidence-based and research-validated early childhood
 97.32 literacy and school readiness program for children ages 16 months to four years at its
 97.33 existing program locations. The base for fiscal year 2018 and later is \$350,000

98.1 Subd. 8. Kindergarten entrance assessment initiative and intervention
 98.2 program. For the kindergarten entrance assessment initiative and intervention program
 98.3 under Minnesota Statutes, section 124D.162:

98.4 \$ 281,000 2016

98.5 \$ 281,000 2017

98.6 Subd. 9. Early childhood programs at tribal schools. For early childhood family
 98.7 education programs at tribal contract schools under Minnesota Statutes, section 124D.83,
 98.8 subdivision 4:

98.9 \$ 68,000 2016

98.10 \$ 68,000 2017

98.11 Subd. 10. Educate parents partnership. For the educate parents partnership
 98.12 under Minnesota Statutes, section 124D.129:

98.13 \$ 49,000 2016

98.14 \$ 49,000 2017

98.15 **ARTICLE 10**

98.16 **PREVENTION**

98.17 Section 1. Minnesota Statutes 2014, section 121A.17, subdivision 3, is amended to read:

98.18 Subd. 3. **Screening program.** (a) A screening program must include at least the
 98.19 following components: developmental assessments, hearing and vision screening or
 98.20 referral, immunization review and referral, the child's height and weight, the date of the
 98.21 child's most recent comprehensive vision examination, if any, identification of risk factors
 98.22 that may influence learning, an interview with the parent about the child, and referral for
 98.23 assessment, diagnosis, and treatment when potential needs are identified. The district and
 98.24 the person performing or supervising the screening must provide a parent or guardian
 98.25 with clear written notice that the parent or guardian may decline to answer questions
 98.26 or provide information about family circumstances that might affect development and
 98.27 identification of risk factors that may influence learning. The notice must state "Early
 98.28 childhood developmental screening helps a school district identify children who may
 98.29 benefit from district and community resources available to help in their development.
 98.30 Early childhood developmental screening includes a vision screening that helps detect
 98.31 potential eye problems but is not a substitute for a comprehensive eye exam." The notice
 98.32 must clearly state that declining to answer questions or provide information does not
 98.33 prevent the child from being enrolled in kindergarten or first grade if all other screening

99.1 components are met. If a parent or guardian is not able to read and comprehend the written
99.2 notice, the district and the person performing or supervising the screening must convey
99.3 the information in another manner. The notice must also inform the parent or guardian
99.4 that a child need not submit to the district screening program if the child's health records
99.5 indicate to the school that the child has received comparable developmental screening
99.6 performed within the preceding 365 days by a public or private health care organization or
99.7 individual health care provider. The notice must be given to a parent or guardian at the
99.8 time the district initially provides information to the parent or guardian about screening
99.9 and must be given again at the screening location.

99.10 (b) All screening components shall be consistent with the standards of the state
99.11 commissioner of health for early developmental screening programs. A developmental
99.12 screening program must not provide laboratory tests or a physical examination to any
99.13 child. The district must request from the public or private health care organization or the
99.14 individual health care provider the results of any laboratory test or physical examination
99.15 within the 12 months preceding a child's scheduled screening. For the purposes of this
99.16 section, "comprehensive vision examination" means a vision examination performed by
99.17 an optometrist or ophthalmologist.

99.18 (c) If a child is without health coverage, the school district must refer the child to an
99.19 appropriate health care provider.

99.20 (d) A board may offer additional components such as nutritional, physical and
99.21 dental assessments, review of family circumstances that might affect development, blood
99.22 pressure, laboratory tests, and health history.

99.23 (e) If a statement signed by the child's parent or guardian is submitted to the
99.24 administrator or other person having general control and supervision of the school that
99.25 the child has not been screened because of conscientiously held beliefs of the parent
99.26 or guardian, the screening is not required.

99.27 Sec. 2. Minnesota Statutes 2014, section 121A.17, subdivision 5, is amended to read:

99.28 Subd. 5. **Developmental screening program information.** (a) The board must
99.29 inform each resident family with a child eligible to participate in the developmental
99.30 screening program, and a charter school that provides screening must inform families
99.31 that apply for admission to the charter school, about the availability of the program and
99.32 the state's requirement that a child receive a developmental screening or provide health
99.33 records indicating that the child received a comparable developmental screening from a
99.34 public or private health care organization or individual health care provider not later than
99.35 30 days after the first day of attending kindergarten in a public school. A school district

100.1 must inform all resident families with eligible children under age seven, and a charter
 100.2 school that provides screening must inform families that apply for admission to the charter
 100.3 school, that their children may receive a developmental screening conducted either by the
 100.4 school district or by a public or private health care organization or individual health care
 100.5 provider and that the screening is not required if a statement signed by the child's parent
 100.6 or guardian is submitted to the administrator or other person having general control and
 100.7 supervision of the school that the child has not been screened.

100.8 (b) A school district that enrolls students from an adjoining state under section
 100.9 124D.041 may inform a nonresident child whose family resides at a Minnesota address as
 100.10 assigned by the United States Postal Service about the availability of the developmental
 100.11 screening program and may provide screening under this section to that child.

100.12 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016
 100.13 and later.

100.14 Sec. 3. Minnesota Statutes 2014, section 124D.20, subdivision 4a, is amended to read:

100.15 Subd. 4a. **Youth after-school enrichment revenue.** ~~In fiscal year 2003 and~~
 100.16 ~~thereafter,~~ Youth after-school enrichment revenue for a district operating a youth
 100.17 after-school enrichment program under section 124D.19, subdivision 12, equals:

100.18 (1) ~~\$1.85~~ \$2.37 times the greater of 1,335 or the population of the district, as defined
 100.19 in section 275.14, not to exceed 10,000; and

100.20 (2) ~~\$0.43~~ \$0.55 times the population of the district, as defined in section 275.14,
 100.21 in excess of 10,000. Youth after-school enrichment revenue must be reserved for youth
 100.22 after-school enrichment programs.

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

100.25 Sec. 4. **AFTER-SCHOOL COMMUNITY LEARNING GRANTS.**

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

100.32 Subd. 2. **Application.** The commissioner of education shall develop the form
 100.33 and method for applying for the grants. The application must include information on

101.1 the applicant's outreach to children and youth that qualify for free or reduced-price
 101.2 lunch and two-year measurable goals and activities linked to research or best practices.

101.3 The commissioner shall develop criteria for determining the allocation of the grants and
 101.4 appropriate goals for the use of the grants including:

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

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

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

101.10 Subd. 3. **Grant awards.** To the extent practicable, the selection of applicants
 101.11 shall result in an equitable distribution of grant awards among geographic areas within
 101.12 Minnesota, including rural, suburban, and urban communities. The commissioner shall
 101.13 also give priority to programs that collaborate with and leverage existing community
 101.14 resources that have demonstrated effectiveness. Applicants selected as grantees are
 101.15 eligible to receive a two-year grant, contingent upon satisfactory progress toward goals
 101.16 and objectives and the availability of funds.

101.17 Sec. 5. **COMPREHENSIVE VISION EXAMINATION REPORT.**

101.18 By January 15, 2017, the commissioner must submit to the committees of the
 101.19 legislature with jurisdiction over kindergarten through grade 12 education a report
 101.20 describing the number and proportion of children in each school district who report having
 101.21 had a comprehensive vision examination, disaggregated by age at the time of early
 101.22 childhood developmental screening under Minnesota Statutes, section 121A.17.

101.23 Sec. 6. **APPROPRIATION.**

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

101.27 Subd. 2. **Community education aid.** For community education aid under
 101.28 Minnesota Statutes, section 124D.20:

101.29 \$ 788,000 2016

101.30 \$ 777,000 2017

101.31 The 2016 appropriation includes \$107,000 for 2015 and \$681,000 for 2016.

101.32 The 2017 appropriation includes \$75,000 for 2016 and \$702,000 for 2017.

102.1 Subd. 3. **Northside Achievement Zone.** For a grant to the Northside Achievement
 102.2 Zone.

102.3 \$ 650,000 2016

102.4 \$ 650,000 2017

102.5 Funds appropriated in this section are to reduce multigenerational poverty and the
 102.6 educational achievement gap through increased enrollment of families within the zone,
 102.7 and may be used for Northside Achievement Zone programming and services consistent
 102.8 with federal Promise Neighborhood program agreements and requirements.

102.9 Subd. 4. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise
 102.10 Neighborhood.

102.11 \$ 650,000 2016

102.12 \$ 650,000 2017

102.13 Funds appropriated in this section are to reduce multigenerational poverty and the
 102.14 educational achievement gap through increased enrollment of families within the zone,
 102.15 and may be used for St. Paul Promise Neighborhood programming and services consistent
 102.16 with federal Promise Neighborhood program agreements and requirements.

102.17 Subd. 5. **After-school community learning grants.** For after-school community
 102.18 learning grants under section 1:

102.19 \$ 500,000 2016

102.20 \$ 500,000 2017

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

102.26 This is a onetime appropriation. Any balance in the first year does not cancel, but
 102.27 is available in the second year.

102.28 Subd. 6. **Adults with disabilities program aid.** For adults with disabilities
 102.29 programs under Minnesota Statutes, section 124D.56:

102.30 \$ 710,000 2016

102.31 \$ 710,000 2017

102.32 The 2016 appropriation includes \$71,000 for 2015 and \$639,000 for 2016.

102.33 The 2017 appropriation includes \$71,000 for 2016 and \$639,000 for 2017.

103.1 Subd. 7. **Hearing-impaired adults.** For programs for hearing-impaired adults
 103.2 under Minnesota Statutes, section 124D.57:

103.3 \$ 70,000 2016

103.4 \$ 70,000 2017

103.5 Subd. 8. **School-age care revenue.** For extended day aid under Minnesota Statutes,
 103.6 section 124D.22:

103.7 \$ 1,000 2016

103.8 \$ 1,000 2017

103.9 The 2016 appropriation includes \$0 for 2015 and \$1,000 for 2016.

103.10 The 2017 appropriation includes \$0 for 2016 and \$1,000 for 2017.

103.11 **ARTICLE 11**

103.12 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

103.13 Section 1. **APPROPRIATIONS.**

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

103.17 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
 103.18 Statutes, section 124D.531:

103.19 \$ 49,118,000 2016

103.20 \$ 50,592,000 2017

103.21 The 2016 appropriation includes \$4,782,000 for 2015 and \$44,336,000 for 2016.

103.22 The 2017 appropriation includes \$4,926,000 for 2016 and \$45,666,000 for 2017.

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

103.25 \$ 125,000 2016

103.26 \$ 125,000 2017

103.27 **ARTICLE 12**

103.28 **STATE AGENCIES**

103.29 Section 1. Minnesota Statutes 2014, section 5A.03, is amended to read:

103.30 **5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.**

104.1 **Subdivision 1. Placing high school students in Minnesota.** (a) An application for
104.2 registration as an international student exchange visitor placement organization must be
104.3 submitted in the form prescribed by the secretary of state. The application must include:
104.4 (1) evidence that the organization meets the standards established by the secretary of
104.5 state by rule;
104.6 (2) the name, address, and telephone number of the organization, its chief executive
104.7 officer, and the person within the organization who has primary responsibility for
104.8 supervising placements within the state;
104.9 (3) the organization's unified business identification number, if any;
104.10 (4) the organization's Office of Exchange Coordination and Designation, United
104.11 States Department of State number, if any;
104.12 (5) evidence of Council on Standards for International Educational Travel listing, if
104.13 any;
104.14 (6) whether the organization is exempt from federal income tax; and
104.15 (7) a list of the organization's placements in Minnesota for the previous academic
104.16 year including the number of students placed, their home countries, the school districts in
104.17 which they were placed, and the length of their placements.
104.18 (b) The application must be signed by the chief executive officer of the organization
104.19 and the person within the organization who has primary responsibility for supervising
104.20 placements within Minnesota. If the secretary of state determines that the application is
104.21 complete, the secretary of state shall file the application and the applicant is registered.
104.22 (c) Organizations that have registered shall inform the secretary of state of any
104.23 changes in the information required under paragraph (a), clause (1), within 30 days of the
104.24 change. There is no fee to amend a registration.
104.25 (d) Registration under this chapter is valid for one year. The registration may be
104.26 renewed annually. The fee to renew a registration is \$50 per year.
104.27 (e) Organizations registering for the first time in Minnesota must pay an initial
104.28 registration fee of \$150.
104.29 (f) Fees collected by the secretary of state under this section must be deposited in the
104.30 state treasury and credited to the general fund.
104.31 **Subd. 2. Placing Minnesota students in travel abroad programs.** (a) A school
104.32 district or charter school with enrolled students who participate in a foreign exchange or
104.33 study or other travel abroad program under a written agreement between the district or
104.34 charter school and the program provider must use a form developed by the Department
104.35 of Education to annually report to the department by November 1 the following data
104.36 from the previous school year:

105.1 (1) the number of Minnesota student deaths that occurred while Minnesota students
105.2 were participating in the foreign exchange or study or other travel abroad program and
105.3 that resulted from Minnesota students participating in the program;

105.4 (2) the number of Minnesota students hospitalized due to accidents and the illnesses
105.5 that occurred while Minnesota students were participating in the foreign exchange or study
105.6 or other travel abroad program and that resulted from Minnesota students participating
105.7 in the program; and

105.8 (3) the name and type of the foreign exchange or study or other travel abroad
105.9 program and the city or region where the reported death, hospitalization due to accident,
105.10 or the illness occurred.

105.11 (b) School districts and charter schools must ask but must not require enrolled
105.12 eligible students and the parents or guardians of other enrolled students who complete
105.13 a foreign exchange or study or other travel abroad program to disclose the information
105.14 under paragraph (a).

105.15 (c) When reporting the data under paragraph (a), a school district or charter school
105.16 may supplement the data with a brief explanatory statement. The Department of Education
105.17 annually must aggregate and publish the reported data on the department Web site in
105.18 a format that facilitates public access to the aggregated data and include links to both
105.19 the United States Department of State's Consular Information Program that informs the
105.20 public of conditions abroad that may affect students' safety and security and the publicly
105.21 available reports on sexual assaults and other criminal acts affecting students participating
105.22 in a foreign exchange or study or other travel abroad program.

105.23 (d) School districts and charter schools with enrolled students who participate in
105.24 foreign exchange or study or other travel abroad programs under a written agreement
105.25 between the district or charter school and the program provider are encouraged to adopt
105.26 policies supporting the programs and to include program standards in their policies to
105.27 ensure students' health and safety.

105.28 (e) To be eligible under this subdivision to provide a foreign exchange or study or
105.29 other travel abroad program to Minnesota students enrolled in a school district or charter
105.30 school, a program provider annually must register with the secretary of state and provide
105.31 the following information on a form developed by the secretary of state: the name,
105.32 address, and telephone number of the program provider, its chief executive officer, and
105.33 the person within the provider's organization who is primarily responsible for supervising
105.34 programs within the state; the program provider's unified business identification number,
105.35 if any; whether the program provider is exempt from federal income tax; a list of the
105.36 program provider's placements in foreign countries for the previous school year including

106.1 the number of Minnesota students placed, where Minnesota students were placed, and
 106.2 the length of their placement; the terms and limits of the medical and accident insurance
 106.3 available to cover participating students and the process for filing a claim; and the
 106.4 signatures of the program provider's chief executive officer and the person primarily
 106.5 responsible for supervising Minnesota students' placements in foreign countries. If the
 106.6 secretary of state determines the registration is complete, the secretary of state shall file the
 106.7 registration and the program provider is registered. Registration with the secretary of state
 106.8 must not be considered or represented as an endorsement of the program provider by the
 106.9 secretary of state. The secretary of state annually must publish on its Web site aggregated
 106.10 data under paragraph (c) received from the Department of Education.

106.11 (f) Program providers, annually by August 1, must provide the data required under
 106.12 paragraph (a), clauses (1) to (3), to the districts and charter schools with enrolled students
 106.13 participating in the provider's program.

106.14 (g) The Department of Education must publish the information it has under
 106.15 paragraph (c), but it is not responsible for any errors or omissions in the information
 106.16 provided to it by a school district or charter school. A school district or charter school is
 106.17 not responsible for omissions in the information provided to it by students and programs.

106.18 **EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and
 106.19 later.

106.20 Sec. 2. Minnesota Statutes 2014, section 122A.18, subdivision 8, is amended to read:

106.21 Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner
 106.22 of education must request a criminal history background check from the superintendent
 106.23 of the Bureau of Criminal Apprehension on all applicants for initial licenses under their
 106.24 jurisdiction. An application for a license under this section must be accompanied by:

106.25 (1) an executed criminal history consent form, including fingerprints; and
 106.26 (2) ~~a money order or cashier's check payable to the Bureau of Criminal Apprehension~~
 106.27 ~~for the fee for conducting the payment to conduct a criminal history background check.~~
 106.28 Proceeds from this fee are annually appropriated to the commissioner for costs associated
 106.29 with processing licensure applications.

106.30 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the
 106.31 background check required under paragraph (a) by retrieving criminal history data as
 106.32 defined in section 13.87 and shall also conduct a search of the national criminal records
 106.33 repository. The superintendent is authorized to exchange fingerprints with the Federal
 106.34 Bureau of Investigation for purposes of the criminal history check. The superintendent

107.1 shall recover the cost to the bureau of a background check through the fee charged to
 107.2 the applicant under paragraph (a).

107.3 (c) The Board of Teaching or the commissioner of education may issue a license
 107.4 pending completion of a background check under this subdivision, but must notify
 107.5 the individual that the individual's license may be revoked based on the result of the
 107.6 background check.

107.7 **Sec. 3. RULEMAKING AUTHORITY.**

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

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

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

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

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

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

107.21 (2) emerging disciplines where full licenses or licensure programs do not exist.

107.22 **Sec. 4. APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

107.23 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
 107.24 indicated in this section are appropriated from the general fund to the Department of
 107.25 Education for the fiscal years designated.

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

107.27 \$ 21,521,000 2016

107.28 \$ 21,650,000 2017

107.29 Of these amounts:

107.30 (1) \$1,020,000 in fiscal year 2016 and \$768,000 in fiscal year 2017 are for the
 107.31 Board of Teaching;

107.32 (2) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board
 107.33 of School Administrators;

108.1 (3) \$1,000,000 each year is for Regional Centers of Excellence under Minnesota
 108.2 Statutes, section 120B.115;

108.3 (4) \$500,000 each year is for the School Safety Technical Assistance Center under
 108.4 Minnesota Statutes, section 127A.052;

108.5 (5) \$250,000 each year is for the School Finance Division to enhance financial
 108.6 data analysis;

108.7 (6) \$20,000 in fiscal year 2016 only is for the commissioner to provide assessment
 108.8 recommendations; and

108.9 (7) \$5,000 in fiscal year 2016 only is for costs related to the Concurrent Enrollment
 108.10 Working Group.

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

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

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

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

108.22 (f) The agency's base budget in fiscal year 2018 is \$21,470,000. The agency's base
 108.23 budget in fiscal year 2019 is \$21,425,000.

108.24 **Sec. 5. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

108.25 (a) The sums indicated in this section are appropriated from the general fund to the
 108.26 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

108.27 \$ 12,853,000 2016

108.28 \$ 12,819,000 2017

108.29 (b) Of the amounts appropriated in paragraph (a), \$708,000 in fiscal year 2016 and
 108.30 \$490,000 in fiscal year 2017 are for technology enhancements and may be used for:

108.31 (1) computer hardware; (2) computer software; (3) connectivity, communications, and
 108.32 infrastructure; (4) assistive technology; (5) access to electronic books and other online
 108.33 materials, licenses, and subscriptions; and (6) technology staff and training costs.

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

108.35 (d) The agency's budget base in fiscal year 2018 is \$12,804,000.

109.1 (e) The agency's budget base in fiscal year 2019 is \$12,786,000.

109.2 **Sec. 6. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

109.3 (a) The sums in this section are appropriated from the general fund to the Perpich

109.4 Center for Arts Education for the fiscal years designated:

109.5 \$ 7,572,000 2016

109.6 \$ 7,673,000 2017

109.7 (b) Of the amounts appropriated in paragraph (a), \$700,000 in fiscal year 2016 and

109.8 \$700,000 in fiscal year 2017 are for continuing and expanding the arts integration networks

109.9 and piloting arts-integrated courses and additional rural regions with an online focus.

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

109.11 **ARTICLE 13**

109.12 **FORECAST ADJUSTMENTS**

109.13 **A. GENERAL EDUCATION**

109.14 Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 2, as amended

109.15 by Laws 2013, chapter 144, section 7, and Laws 2014, chapter 312, article 15, section

109.16 26, is amended to read:

109.17 Subd. 2. **General education aid.** For general education aid under Minnesota

109.18 Statutes, section 126C.13, subdivision 4:

109.19 \$ 6,851,419,000 2014

109.20 ~~6,464,199,000~~

109.21 \$ 6,443,330,000 2015

109.22 The 2014 appropriation includes \$780,156,000 for 2013 and \$6,071,263,000 for

109.23 2014.

109.24 The 2015 appropriation includes ~~\$589,095,000~~ \$586,824,000 for 2014 and

109.25 ~~\$5,875,104,000~~ \$5,856,506,000 for 2015.

109.26 Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 3, as amended by

109.27 Laws 2014, chapter 312, article 22, section 1, is amended to read:

109.28 Subd. 3. **Enrollment options transportation.** For transportation of pupils attending

109.29 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation

109.30 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

110.1 \$ 37,000 2014
 110.2 ~~40,000~~
 110.3 \$ 36,000 2015

110.4 Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 4, as amended by
 110.5 Laws 2014, chapter 312, article 22, section 2, is amended to read:

110.6 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 110.7 127A.49:

110.8 \$ 2,876,000 2014
 110.9 ~~3,103,000~~
 110.10 \$ 2,796,000 2015

110.11 The 2014 appropriation includes \$301,000 for 2013 and \$2,575,000 for 2014.

110.12 The 2015 appropriation includes \$286,000 for 2014 and ~~\$2,817,000~~ \$2,510,000
 110.13 for 2015.

110.14 Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 5, as amended by
 110.15 Laws 2014, chapter 312, article 22, section 3, is amended to read:

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

110.18 \$ 585,000 2014
 110.19 ~~254,000~~
 110.20 \$ 263,000 2015

110.21 The 2014 appropriation includes \$40,000 for 2013 and \$545,000 for 2014.

110.22 The 2015 appropriation includes \$60,000 for 2014 and ~~\$194,000~~ \$203,000 for 2015.

110.23 Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 6, as amended by
 110.24 Laws 2014, chapter 312, article 15, section 27, is amended to read:

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

110.27 \$ 15,867,000 2014
 110.28 ~~16,132,000~~
 110.29 \$ 15,569,000 2015

110.30 The 2014 appropriation includes \$1,898,000 for 2013 and \$13,969,000 for 2014.

110.31 The 2015 appropriation includes ~~\$1,552,000~~ \$1,394,000 for 2014 and ~~\$14,580,000~~
 110.32 \$14,175,000 for 2015.

111.1 Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 7, as amended by
 111.2 Laws 2014, chapter 312, article 15, section 28, is amended to read:

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

111.5 \$ 18,500,000 2014

111.6 ~~17,710,000~~

111.7 \$ 18,118,000 2015

111.8 The 2014 appropriation includes \$2,602,000 for 2013 and \$15,898,000 for 2014.

111.9 The 2015 appropriation includes \$1,766,000 for 2014 and ~~\$15,944,000~~ \$16,352,000
 111.10 for 2015.

111.11 Sec. 7. Laws 2013, chapter 116, article 1, section 58, subdivision 11, as amended by
 111.12 Laws 2014, chapter 312, article 22, section 4, is amended to read:

111.13 Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota
 111.14 Statutes, section 124D.4531, subdivision 1b:

111.15 \$ 3,959,000 2014

111.16 ~~5,172,000~~

111.17 \$ 5,617,000 2015

111.18 The 2014 appropriation includes \$0 for 2013 and \$3,959,000 for 2014.

111.19 The 2015 appropriation includes ~~\$439,000~~ \$445,000 for 2014 and ~~\$4,733,000~~
 111.20 \$5,172,000 for 2015.

111.21 B. EDUCATION EXCELLENCE

111.22 Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 3, as amended by
 111.23 Laws 2014, chapter 312, article 22, section 5, is amended to read:

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

111.26 \$ 55,609,000 2014

111.27 ~~62,692,000~~

111.28 \$ 63,831,000 2015

111.29 The 2014 appropriation includes \$0 for 2013 and \$55,609,000 for 2014.

111.30 The 2015 appropriation includes ~~\$6,178,000~~ \$6,386,000 for 2014 and ~~\$56,514,000~~
 111.31 \$57,445,000 for 2015.

111.32 Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 4, as amended by
 111.33 Laws 2014, chapter 312, article 22, section 6, is amended to read:

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

112.3 \$ 50,998,000 2014

112.4 ~~47,458,000~~

112.5 \$ 44,839,000 2015

112.6 The 2014 appropriation includes \$6,607,000 for 2013 and \$44,391,000 for 2014.

112.7 The 2015 appropriation includes \$4,932,000 for 2014 and ~~\$42,526,000~~ \$39,907,000

112.8 for 2015.

112.9 Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 5, as amended by
112.10 Laws 2014, chapter 312, article 22, section 7, is amended to read:

112.11 Subd. 5. **Interdistrict desegregation or integration transportation grants.** For
112.12 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
112.13 section 124D.87:

112.14 \$ 13,521,000 2014

112.15 ~~14,248,000~~

112.16 \$ 14,261,000 2015

112.17 Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 20, as amended by
112.18 Laws 2013, chapter 144, section 10, and Laws 2014, chapter 312, article 22, section 9,
112.19 is amended to read:

112.20 Subd. 20. **Alternative compensation.** For alternative teacher compensation aid
112.21 under Minnesota Statutes, section 122A.415, subdivision 4:

112.22 ~~71,599,000~~

112.23 \$ 69,899,000 2015

112.24 The 2015 appropriation includes \$0 for 2014 and ~~\$71,599,000~~ \$69,899,000 for 2015.

112.25 C. CHARTER SCHOOLS

112.26 Sec. 12. Laws 2013, chapter 116, article 4, section 9, subdivision 2, as amended by
112.27 Laws 2014, chapter 312, article 22, section 10, is amended to read:

112.28 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
112.29 Statutes, section 124D.11, subdivision 4:

112.30 \$ 54,625,000 2014

112.31 ~~58,294,000~~

112.32 \$ 59,565,000 2015

112.33 The 2014 appropriation includes \$6,681,000 for 2013 and \$47,944,000 for 2014.

113.1 The 2015 appropriation includes ~~\$5,327,000~~ \$5,270,000 for 2014 and ~~\$52,967,000~~
 113.2 \$54,295,000 for 2015.

113.3 **D. SPECIAL PROGRAMS**

113.4 Sec. 13. Laws 2013, chapter 116, article 5, section 31, subdivision 2, as amended by
 113.5 Laws 2013, chapter 144, section 14, and Laws 2014, chapter 312, article 22, section
 113.6 11, is amended to read:

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

113.9 \$ 1,038,465,000 2014

113.10 ~~1,111,641,000~~

113.11 \$ 1,109,144,000 2015

113.12 The 2014 appropriation includes \$118,183,000 for 2013 and \$920,282,000 for 2014.

113.13 The 2015 appropriation includes ~~\$129,549,000~~ \$129,317,000 for 2014 and
 113.14 ~~\$982,092,000~~ \$979,827,000 for 2015.

113.15 Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 3, as amended by
 113.16 Laws 2014, chapter 312, article 22, section 12, is amended to read:

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

113.20 \$ 1,548,000 2014

113.21 ~~1,674,000~~

113.22 \$ 1,367,000 2015

113.23 If the appropriation for either year is insufficient, the appropriation for the other
 113.24 year is available.

113.25 Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 4, as amended by
 113.26 Laws 2014, chapter 312, article 22, section 13, is amended to read:

113.27 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
 113.28 services under Minnesota Statutes, section 125A.75, subdivision 1:

113.29 \$ 351,000 2014

113.30 ~~346,000~~

113.31 \$ 351,000 2015

113.32 The 2014 appropriation includes \$45,000 for 2013 and \$306,000 for 2014.

113.33 The 2015 appropriation includes \$33,000 for 2014 and ~~\$313,000~~ \$318,000 for 2015.

114.1

E. FACILITIES AND TECHNOLOGY

114.2 Sec. 16. Laws 2013, chapter 116, article 6, section 12, subdivision 2, as amended by
 114.3 Laws 2014, chapter 312, article 22, section 15, is amended to read:

114.4 Subd. 2. **Health and safety revenue.** For health and safety aid according to
 114.5 Minnesota Statutes, section 123B.57, subdivision 5:

114.6	\$	471,000	.....	2014
114.7		651,000		
114.8	\$	<u>649,000</u>	.....	2015

114.9 The 2014 appropriation includes \$24,000 for 2013 and \$447,000 for 2014.

114.10 The 2015 appropriation includes \$49,000 for 2014 and ~~\$602,000~~ \$600,000 for 2015.

114.11 Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 6, as amended by
 114.12 Laws 2014, chapter 312, article 22, section 18, is amended to read:

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

114.15	\$	3,877,000	.....	2014
114.16		4,024,000		
114.17	\$	<u>4,067,000</u>	.....	2015

114.18 The 2014 appropriation includes \$475,000 for 2013 and \$3,402,000 for 2014.

114.19 The 2015 appropriation includes \$378,000 for 2014 and ~~\$3,646,000~~ \$3,689,000
 114.20 for 2015.

114.21

F. NUTRITION AND LIBRARIES

114.22 Sec. 18. Laws 2013, chapter 116, article 7, section 21, subdivision 2, as amended by
 114.23 Laws 2014, chapter 312, article 19, section 5, is amended to read:

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

114.26	\$	12,417,000	.....	2014
114.27		16,185,000		
114.28	\$	<u>15,506,000</u>	.....	2015

114.29 Sec. 19. Laws 2013, chapter 116, article 7, section 21, subdivision 3, as amended by
 114.30 Laws 2014, chapter 312, article 19, section 6, is amended to read:

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

115.1 \$ 5,308,000 2014
 115.2 ~~6,176,000~~
 115.3 \$ 9,168,000 2015

115.4 Sec. 20. Laws 2013, chapter 116, article 7, section 21, subdivision 4, as amended by
 115.5 Laws 2014, chapter 312, article 22, section 19, is amended to read:

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

115.8 \$ 992,000 2014
 115.9 ~~1,002,000~~
 115.10 \$ 942,000 2015

115.11 **G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY,**
 115.12 **AND LIFELONG LEARNING**

115.13 Sec. 21. Laws 2013, chapter 116, article 8, section 5, subdivision 3, as amended by
 115.14 Laws 2014, chapter 312, article 20, section 17, is amended to read:

115.15 Subd. 3. **Early childhood family education aid.** For early childhood family
 115.16 education aid under Minnesota Statutes, section 124D.135:

115.17 \$ 22,797,000 2014
 115.18 ~~26,651,000~~
 115.19 \$ 26,623,000 2015

115.20 The 2014 appropriation includes \$3,008,000 for 2013 and \$19,789,000 for 2014.

115.21 The 2015 appropriation includes \$2,198,000 for 2014 and ~~\$24,453,000~~ \$24,425,000
 115.22 for 2015.

115.23 Sec. 22. Laws 2013, chapter 116, article 8, section 5, subdivision 4, as amended by
 115.24 Laws 2014, chapter 312, article 22, section 23, is amended to read:

115.25 Subd. 4. **Health and developmental screening aid.** For health and developmental
 115.26 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

115.27 \$ 3,524,000 2014
 115.28 ~~3,330,000~~
 115.29 \$ 3,390,000 2015

115.30 The 2014 appropriation includes \$471,000 for 2013 and \$3,053,000 for 2014.

115.31 The 2015 appropriation includes \$339,000 for 2014 and ~~\$2,991,000~~ \$3,051,000
 115.32 for 2015.

116.1 Sec. 23. Laws 2013, chapter 116, article 8, section 5, subdivision 14, as amended by
 116.2 Laws 2014, chapter 312, article 20, section 20, is amended to read:

116.3 Subd. 14. **Adult basic education aid.** For adult basic education aid under
 116.4 Minnesota Statutes, section 124D.531:

116.5 \$ 48,776,000 2014

116.6 ~~48,415,000~~

116.7 \$ 47,750,000 2015

116.8 The 2014 appropriation includes \$6,278,000 for 2013 and \$42,498,000 for 2014.

116.9 The 2015 appropriation includes ~~\$4,722,000~~ \$4,712,000 for 2014 and ~~\$43,693,000~~

116.10 \$43,038,000 for 2015.

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123B.59 ALTERNATIVE FACILITIES BONDING AND LEVY PROGRAM.

Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

- (1) more than 66 students per grade;
- (2) over 1,850,000 square feet of space and the average age of building space is 15 years or older or over 1,500,000 square feet and the average age of building space is 35 years or older;
- (3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

(b) An independent or special school district not eligible to participate in the alternative facilities bonding and levy program under paragraph (a) qualifies for limited participation in the program if the district has:

(1) one or more health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b); and

(2) insufficient funds from capital facilities revenue to fund those projects.

(c) Notwithstanding the square footage limitation in paragraph (a), clause (2), a school district that qualified for eligibility under paragraph (a) as of July 1, 2007, remains eligible for funding under this section as long as the district continues to meet the requirements of paragraph (a), clauses (1), (3), and (4).

Subd. 2. **Facility plan.** (a) A district qualifying under subdivision 1, paragraph (a), must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

(1) health and safety revenue, without restriction as to project size;

(2) disabled access levy; and

(3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

(b) A district qualifying under subdivision 1, paragraph (b), must have a five-year plan that includes an inventory of projects and costs for health and safety projects with an estimated cost of \$500,000 or more per site that would qualify for health and safety revenue except for the project size limitation in section 123B.57, subdivision 1, paragraph (b).

(c) The school district must:

(1) annually update the plans;

(2) biennially submit a facility maintenance plan; and

(3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

Subd. 3. **Bond authorization.** (a) A school district may issue general obligation bonds under this section to finance facilities plans approved by its board and the commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with. The district may levy under subdivision 5 for the debt service revenue. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

(b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds, or the final certification of levies under subdivision 5, the district must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

Subd. 3a. **Levy authorization.** (a) A school district may levy under this section to finance the portion of facilities plans approved by its board and the commissioner that are not financed through bond issues according to subdivision 3.

(b) At least 20 days before a final district certification of levies under subdivision 5, the district must publish notice of the intended projects, including the total estimated project cost.

Subd. 4. **Levy prohibited for capital projects.** A district that participates in the alternative facilities bonding and levy program is not eligible to levy and cannot receive aid under sections 123B.57 and 123B.58 for any capital projects funded under this section. A district may levy and receive aid for health and safety environmental management costs and health and safety regulatory, hazard assessment, record keeping, and maintenance programs as defined in section 123A.443, subdivision 2, and approved by the commissioner.

Subd. 5. **Levy authorized.** A district may levy for costs related to an approved facility plan as follows:

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(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3 after reduction for any alternative facilities aid receivable under subdivision 6; or

(b) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan after reduction for any alternative facilities aid receivable under subdivision 6.

Subd. 6. **Alternative facilities aid.** A district's alternative facilities aid is the amount equal to the district's annual debt service costs, provided that the amount does not exceed the amount certified to be levied for those purposes for taxes payable in 1997, or for a district that made a levy under subdivision 5, paragraph (b), the lesser of the district's annual levy amount, or one-sixth of the amount of levy that it certified for that purpose for taxes payable in 1998.

Subd. 7. **Alternative facilities appropriation.** (a) An amount not to exceed \$19,700,000 for fiscal year 2000 and \$20,000,000 for fiscal year 2001 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of alternative facilities aid under subdivision 6.

(b) The appropriation in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Subd. 8. **Separate account.** A district must establish a separate account under the uniform financial accounting and reporting standards (UFARS) for this program. If the district's levy exceeds the necessary interest and principal payments and noncapital health and safety costs, the district must reserve the revenue to replace future bonding authority, prepay bonds authorized under this program, or make payments on principal and interest.

123B.591 DEFERRED MAINTENANCE REVENUE.

Subdivision 1. **Eligibility.** An independent or special school district that does not qualify to participate in the alternative facilities bonding and levy under section 123B.59, subdivision 1, paragraph (a), is eligible to receive deferred maintenance revenue.

Subd. 2. **Deferred maintenance revenue.** The deferred maintenance revenue for an eligible school district equals the product of \$64 times the adjusted pupil units for the school year times the lesser of one or the ratio of the district's average age of building space to 35 years.

Subd. 3. **Deferred maintenance levy.** To obtain deferred maintenance revenue, a district may levy an amount not more than the product of its deferred maintenance revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to \$5,965.

Subd. 4. **Deferred maintenance aid.** For fiscal year 2008 and later, a district's deferred maintenance aid equals its deferred maintenance revenue minus its deferred maintenance levy times the ratio of the actual amount levied to the permitted levy.

Subd. 5. **Reserve account.** Deferred maintenance revenue must be maintained in a reserve account within the general fund. Deferred maintenance revenue may be used only for expenditures that would be eligible for alternative facilities bonding and levy revenue under section 123B.59, subdivision 2, paragraph (a), if the district qualified for that revenue under section 123B.59, subdivision 1, paragraph (a).