

1.1 CONFERENCE COMMITTEE REPORT ON H. F. No. 2

1.2 A bill for an act

1.3 relating to education; providing for policy and funding for family, adult, and
1.4 prekindergarten through grade 12 education including general education,
1.5 education excellence, special programs, facilities and technology, libraries,
1.6 nutrition, accounting, self-sufficiency and lifelong learning, state agencies,
1.7 pupil transportation, school finance system changes, forecast adjustments,
1.8 and technical corrections; providing for advisory groups; requiring reports;
1.9 appropriating money; amending Minnesota Statutes 2008, sections 6.74;
1.10 13.32, by adding a subdivision; 16A.06, subdivision 11; 120A.22, subdivision
1.11 7; 120A.40; 120B.02; 120B.021, subdivision 1; 120B.022, subdivision 1;
1.12 120B.023, subdivision 2; 120B.11, subdivision 5; 120B.13; 120B.132; 120B.30;
1.13 120B.31; 120B.35; 120B.36; 121A.15, subdivision 8; 121A.41, subdivisions 7,
1.14 10; 121A.43; 122A.07, subdivisions 2, 3; 122A.18, subdivision 4; 122A.31,
1.15 subdivision 4; 122A.40, subdivisions 6, 8; 122A.41, subdivisions 3, 5; 122A.413,
1.16 subdivision 2; 122A.414, subdivisions 2, 2b; 122A.60, subdivisions 1a, 2;
1.17 122A.61, subdivision 1; 123A.05; 123A.06; 123A.08; 123B.02, subdivision
1.18 21; 123B.03, subdivisions 1, 1a; 123B.10, subdivision 1; 123B.14, subdivision
1.19 7; 123B.143, subdivision 1; 123B.36, subdivision 1; 123B.49, subdivision 4;
1.20 123B.51, by adding a subdivision; 123B.53, subdivision 5; 123B.57, subdivision
1.21 1; 123B.59, subdivisions 2, 3, 3a; 123B.70, subdivision 1; 123B.71, subdivisions
1.22 8, 9, 12; 123B.75, subdivision 5; 123B.76, subdivision 3; 123B.77, subdivision
1.23 3; 123B.79, subdivision 7; 123B.81, subdivisions 3, 4, 5; 123B.83, subdivision
1.24 3; 123B.92, subdivisions 1, 5; 124D.095, subdivisions 2, 3, 4, 7, 10; 124D.10;
1.25 124D.11, subdivisions 4, 9; 124D.111, subdivision 3; 124D.128, subdivisions
1.26 2, 3; 124D.42, subdivision 6, by adding a subdivision; 124D.4531; 124D.59,
1.27 subdivision 2; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3, 4, 5; 124D.83,
1.28 subdivision 4; 124D.86, subdivisions 1, 1a, 1b; 125A.02; 125A.07; 125A.08;
1.29 125A.091; 125A.11, subdivision 1; 125A.15; 125A.28; 125A.51; 125A.56;
1.30 125A.57, subdivision 2; 125A.62, subdivision 8; 125A.63, subdivisions 2,
1.31 4; 125A.76, subdivisions 1, 5; 125A.79, subdivision 7; 125B.26; 126C.01,
1.32 by adding subdivisions; 126C.05, subdivisions 1, 2, 3, 5, 6, 8, 15, 16, 17, 20;
1.33 126C.10, subdivisions 1, 2, 2a, 3, 4, 6, 13, 14, 18, 24, 34, by adding subdivisions;
1.34 126C.13, subdivisions 4, 5; 126C.15, subdivisions 2, 4; 126C.17, subdivisions 1,
1.35 5, 6, 9; 126C.20; 126C.40, subdivisions 1, 6; 126C.41, subdivision 2; 126C.44;
1.36 127A.08, by adding a subdivision; 127A.441; 127A.45, subdivisions 2, 3, 13, by
1.37 adding a subdivision; 127A.47, subdivisions 5, 7; 127A.51; 134.31, subdivision
1.38 4a, by adding a subdivision; 169.011, subdivision 71; 169.443, subdivision 9;
1.39 169.4501, subdivision 1; 169.4503, subdivision 20, by adding a subdivision;
1.40 169.454, subdivision 13; 169A.03, subdivision 23; 171.01, subdivision 22;
1.41 171.02, subdivisions 2, 2a, 2b; 171.05, subdivision 2; 171.17, subdivision 1;
1.42 171.22, subdivision 1; 171.321, subdivisions 1, 4, 5; 181A.05, subdivision 1;

2.1 275.065, subdivisions 3, 6; 299A.297; 471.975; 475.58, subdivision 1; Laws
2.2 2007, chapter 146, article 1, section 24, subdivisions 2, as amended, 6, as
2.3 amended, 8, as amended; article 2, section 46, subdivision 6, as amended; article
2.4 3, section 24, subdivision 4, as amended; article 4, section 16, subdivisions 2, as
2.5 amended, 6, as amended; article 5, section 13, subdivisions 2, as amended, 3,
2.6 as amended; article 9, section 17, subdivisions 2, as amended, 13, as amended;
2.7 Laws 2008, chapter 363, article 2, section 46, subdivision 1; proposing coding
2.8 for new law in Minnesota Statutes, chapters 120B; 123B; 125A; 126C; 127A;
2.9 repealing Minnesota Statutes 2008, sections 120B.362; 120B.39; 121A.27;
2.10 121A.66; 121A.67, subdivision 1; 122A.628; 122A.75; 123B.54; 123B.57,
2.11 subdivisions 3, 4, 5; 123B.591; 124D.091; 125A.03; 125A.05; 125A.18;
2.12 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10, subdivisions 2b,
2.13 13a, 13b, 24, 25, 26, 27, 28, 29, 30, 31, 31a, 31b, 32, 33, 34, 35, 36; 126C.12;
2.14 126C.126; 127A.50; 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10; Minnesota Rules,
2.15 parts 3525.0210, subparts 5, 6, 9, 13, 17, 29, 30, 34, 43, 46, 47; 3525.0400;
2.16 3525.1100, subpart 2, item F; 3525.2445; 3525.2900, subpart 5; 3525.4220.

2.17 May 13, 2009

2.18 The Honorable Margaret Anderson Kelliher
2.19 Speaker of the House of Representatives

2.20 The Honorable James P. Metzen
2.21 President of the Senate

2.22 We, the undersigned conferees for H. F. No. 2 report that we have agreed upon the
2.23 items in dispute and recommend as follows:

2.24 That the Senate recede from its amendment and that H. F. No. 2 be further amended
2.25 as follows:

2.26 Delete everything after the enacting clause and insert:

2.27 **"ARTICLE 1**
2.28 **GENERAL EDUCATION**

2.29 Section 1. Minnesota Statutes 2008, section 16A.06, subdivision 11, is amended to read:

2.30 Subd. 11. **Permanent school fund reporting.** The commissioner shall ~~biannually~~
2.31 annually report to the Permanent School Fund Advisory Committee and the legislature
2.32 ~~on the management of the permanent school trust fund that shows how the commissioner~~
2.33 the amount of the permanent school fund transfer and information about the investment of
2.34 the permanent school fund provided by the State Board of Investment. The State Board of
2.35 Investment shall provide information about how they maximized the long-term economic
2.36 return of the permanent school ~~trust~~ fund.

2.37 Sec. 2. Minnesota Statutes 2008, section 120A.40, is amended to read:

2.38 **120A.40 SCHOOL CALENDAR.**

2.39 (a) Except for learning programs during summer, flexible learning year programs
2.40 authorized under sections 124D.12 to 124D.127, and learning year programs under section
2.41 124D.128, a district must not commence an elementary or secondary school year before

3.1 Labor Day, except as provided under paragraph (b). Days devoted to teachers' workshops
3.2 may be held before Labor Day. Districts that enter into cooperative agreements are
3.3 encouraged to adopt similar school calendars.

3.4 (b) A district may begin the school year on any day before Labor Day:

3.5 (1) to accommodate a construction or remodeling project of \$400,000 or more
3.6 affecting a district school facility;

3.7 (2) if the district has an agreement under section 123A.30, 123A.32, or 123A.35
3.8 with a district that qualifies under clause (1); or

3.9 ~~A school~~ (3) if the district that agrees to the same schedule with a school district
3.10 in an adjoining state also may begin the school year before Labor Day as authorized
3.11 under this paragraph.

3.12 Sec. 3. Minnesota Statutes 2008, section 123A.73, subdivision 4, is amended to read:

3.13 Subd. 4. **Consolidation; maximum authorized referendum revenues.** (a) As
3.14 of the effective date of a consolidation pursuant to section 123A.48, if the plan for
3.15 consolidation so provides, or if the plan for consolidation makes no provision concerning
3.16 referendum revenues, the authorization for all referendum revenues previously approved
3.17 by the voters of all affected districts for those districts pursuant to section 126C.17,
3.18 subdivision 9, or its predecessor provision shall be recalculated as provided in this
3.19 subdivision. The referendum revenue authorization for the newly created district shall
3.20 be the revenue per resident marginal cost pupil unit that would raise an amount equal
3.21 to the combined dollar amount of the referendum revenues authorized by each of the
3.22 component districts for the year preceding the consolidation, unless the referendum
3.23 revenue authorization of the newly created district is subsequently modified pursuant to
3.24 section 126C.17, subdivision 9.

3.25 (b) The referendum allowance for a consolidated district in the years following
3.26 consolidation equals the average of the consolidating districts' existing authorities for
3.27 those years, weighted by the districts' resident marginal cost pupil units in the year
3.28 preceding consolidation. For purposes of this calculation, the referendum authorities used
3.29 for individual districts shall not decrease from year to year until such time as all existing
3.30 authorities for all the consolidating districts have fully expired, but shall increase if they
3.31 were originally approved with consumer price index-based or other annual increases.

3.32 (c) The referendum revenue authorization for the newly created district shall continue
3.33 for a period of time equal to the longest period authorized for any component district.

3.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2010
3.35 and later.

4.1 Sec. 4. Minnesota Statutes 2008, section 123A.73, subdivision 5, is amended to read:

4.2 Subd. 5. **Alternative method.** (a) As of the effective date of a consolidation
4.3 pursuant to section 123A.48, if the plan for consolidation so provides, the authorization
4.4 for all referendum revenues previously approved by the voters of all affected districts for
4.5 those districts pursuant to section 126C.17, subdivision 9, or its predecessor provision
4.6 shall be combined as provided in this subdivision. The referendum revenue authorization
4.7 for the newly created district may be any allowance per resident marginal cost pupil unit
4.8 provided in the plan for consolidation, but may not exceed the allowance per resident
4.9 marginal cost pupil unit that would raise an amount equal to the combined dollar amount
4.10 of the referendum revenues authorized by each of the component districts for the year
4.11 preceding the consolidation.

4.12 (b) The referendum allowance for a consolidated district in the years following
4.13 consolidation equals the average of the consolidating districts' existing authorities for
4.14 those years, weighted by the districts' resident marginal cost pupil units in the year
4.15 preceding consolidation. For purposes of this calculation, the referendum authorities used
4.16 for individual districts shall not decrease from year to year until such time as all existing
4.17 authorities for all the consolidating districts have fully expired, but shall increase if they
4.18 were originally approved with consumer price index-based or other annual increases.

4.19 (c) The referendum revenue authorization for the newly created district shall
4.20 continue for a period of time equal to the longest period authorized for any component
4.21 district. The referendum revenue authorization for the newly created district may be
4.22 modified pursuant to section 126C.17, subdivision 9.

4.23 Sec. 5. Minnesota Statutes 2008, section 123B.02, subdivision 21, is amended to read:

4.24 Subd. 21. **Wind energy conversion system.** The board, or more than one board
4.25 acting jointly under the authority granted by section 471.59, may construct, acquire,
4.26 own in whole or in part, operate, and sell and retain and spend the payment received
4.27 from selling energy from a wind energy conversion system, as defined in section
4.28 216C.06, subdivision 19. ~~The~~ An individual school board's share of the installed
4.29 capacity of the wind energy conversion systems authorized by this subdivision must not
4.30 exceed 3.3 megawatts of nameplate capacity, provided that if more than one board is
4.31 acting jointly, each board may have a separate share of no more than 3.3 megawatts of
4.32 nameplate capacity. A board owning, operating, or selling energy from a wind energy
4.33 conversion system must integrate information about wind energy conversion systems in its
4.34 educational programming. The board, or more than one board acting jointly under the
4.35 authority granted by section 471.59, may be a limited partner in a partnership, a member

5.1 of a limited liability company, or a shareholder in a corporation, established for the sole
5.2 purpose of constructing, acquiring, owning in whole or in part, financing, or operating a
5.3 wind energy conversion system for the benefit of the district or districts in accordance
5.4 with this section. A board individually, or acting jointly, or an entity of which a board is a
5.5 limited partner, member, or shareholder, may not sell, transmit, or distribute the electrical
5.6 energy at retail or provide for end use of the electrical energy at an off-site facility of the
5.7 board or entity. Nothing in this subdivision modifies the exclusive service territories or
5.8 exclusive right to serve as provided in sections 216B.37 to 216B.43.

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

5.10 Sec. 6. Minnesota Statutes 2008, section 123B.77, subdivision 3, is amended to read:

5.11 Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the
5.12 calendar year of the submission of the unaudited financial data, the district must provide to
5.13 the commissioner audited financial data for the preceding fiscal year. The audit must be
5.14 conducted in compliance with generally accepted governmental auditing standards, the
5.15 federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office
5.16 of the State Auditor. An audited financial statement prepared in a form which will allow
5.17 comparison with and correction of material differences in the unaudited financial data
5.18 shall be submitted to the commissioner and the state auditor by December 31. The audited
5.19 financial statement must also provide a statement of assurance pertaining to uniform
5.20 financial accounting and reporting standards compliance and a copy of the management
5.21 letter submitted to the district by the school district's auditor.

5.22 (b) By ~~January~~ February 15 of the calendar year following the submission of the
5.23 unaudited financial data, the commissioner shall convert the audited financial data
5.24 required by this subdivision into the consolidated financial statement format required
5.25 under subdivision 1a and publish the information on the department's Web site.

5.26 Sec. 7. Minnesota Statutes 2008, section 123B.83, subdivision 3, is amended to read:

5.27 Subd. 3. **Failure to limit expenditures.** If a district does not limit its expenditures in
5.28 accordance with this section, the commissioner may so notify the appropriate committees
5.29 of the legislature by no later than ~~January 1~~ February 15 of the year following the end
5.30 of that fiscal year.

5.31 Sec. 8. Minnesota Statutes 2008, section 125A.11, subdivision 1, is amended to read:

5.32 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,
5.33 when a school district provides instruction and services outside the district of residence,

6.1 board and lodging, and any tuition to be paid, shall be paid by the district of residence.
6.2 The tuition rate to be charged for any child with a disability, excluding a pupil for whom
6.3 tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be
6.4 the sum of (1) the actual cost of providing special instruction and services to the child
6.5 including a proportionate amount for special transportation and unreimbursed building
6.6 lease and debt service costs for facilities used primarily for special education, plus (2)
6.7 the amount of general education revenue and referendum aid attributable to the pupil,
6.8 minus (3) the amount of special education aid for children with a disability received
6.9 on behalf of that child, minus (4) if the pupil receives special instruction and services
6.10 outside the regular classroom for more than 60 percent of the school day, the amount of
6.11 general education revenue and referendum aid, excluding portions attributable to district
6.12 and school administration, district support services, operations and maintenance, capital
6.13 expenditures, and pupil transportation, attributable to that pupil for the portion of time
6.14 the pupil receives special instruction and services outside of the regular classroom. If
6.15 the boards involved do not agree upon the tuition rate, either board may apply to the
6.16 commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set
6.17 a date for a hearing or request a written statement from each board, giving each board
6.18 at least ten days' notice, and after the hearing or review of the written statements the
6.19 commissioner must make an order fixing the tuition rate, which is binding on both school
6.20 districts. General education revenue and referendum equalization aid attributable to a
6.21 pupil must be calculated using the resident district's average general education revenue
6.22 and referendum equalization aid per adjusted pupil unit.

6.23 (b) For fiscal year 2007 and later, when a school district provides special instruction
6.24 and services for a pupil with a disability as defined in section 125A.02 outside the district
6.25 of residence, excluding a pupil for whom an adjustment to special education aid is
6.26 calculated according to section 127A.47, subdivision 7, paragraph (e), special education
6.27 aid paid to the resident district must be reduced by an amount equal to (1) the actual
6.28 cost of providing special instruction and services to the pupil, including a proportionate
6.29 amount for special transportation and unreimbursed building lease and debt service costs
6.30 for facilities used primarily for special education, plus (2) the amount of general education
6.31 revenue and referendum equalization aid attributable to that pupil, calculated using the
6.32 resident district's average general education revenue and referendum equalization aid
6.33 per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and
6.34 secondary sparsity revenue, minus (3) the amount of special education aid for children
6.35 with a disability received on behalf of that child, minus (4) if the pupil receives special
6.36 instruction and services outside the regular classroom for more than 60 percent of the

7.1 school day, the amount of general education revenue and referendum equalization aid,
7.2 excluding portions attributable to district and school administration, district support
7.3 services, operations and maintenance, capital expenditures, and pupil transportation,
7.4 attributable to that pupil for the portion of time the pupil receives special instruction
7.5 and services outside of the regular classroom, calculated using the resident district's
7.6 average general education revenue and referendum equalization aid per adjusted pupil unit
7.7 excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue
7.8 and the serving district's basic skills revenue, elementary sparsity revenue and secondary
7.9 sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils
7.10 served by a cooperative unit without a fiscal agent school district, the general education
7.11 revenue and referendum equalization aid attributable to a pupil must be calculated using
7.12 the resident district's average general education revenue and referendum equalization aid
7.13 excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity
7.14 revenue. Special education aid paid to the district or cooperative providing special
7.15 instruction and services for the pupil must be increased by the amount of the reduction in
7.16 the aid paid to the resident district. Amounts paid to cooperatives under this subdivision
7.17 and section 127A.47, subdivision 7, shall be recognized and reported as revenues and
7.18 expenditures on the resident school district's books of account under sections 123B.75
7.19 and 123B.76. If the resident district's special education aid is insufficient to make the full
7.20 adjustment, the remaining adjustment shall be made to other state aid due to the district.

7.21 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,
7.22 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students
7.23 receive special education and related services, a site approved under section 125A.515,
7.24 an intermediate district, a special education cooperative, or a school district that served
7.25 as the applicant agency for a group of school districts for federal special education aids
7.26 for fiscal year 2006 may apply to the commissioner for authority to charge the resident
7.27 district an additional amount to recover any remaining unreimbursed costs of serving
7.28 pupils with a disability. The application must include a description of the costs and the
7.29 calculations used to determine the unreimbursed portion to be charged to the resident
7.30 district. Amounts approved by the commissioner under this paragraph must be included
7.31 in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47,
7.32 subdivision 7, paragraph (d) or (e), as applicable.

7.33 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs
7.34 (d) and (e), "general education revenue and referendum equalization aid" means the sum
7.35 of the general education revenue according to section 126C.10, subdivision 1, excluding
7.36 alternative teacher compensation revenue, plus the referendum equalization aid according

8.1 to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision
8.2 7, paragraphs (a) to (c).

8.3 Sec. 9. Minnesota Statutes 2008, section 126C.05, subdivision 2, is amended to read:

8.4 Subd. 2. **Foreign exchange pupils.** Notwithstanding section 124D.02, subdivision
8.5 3, or any other law to the contrary, a foreign exchange pupil enrolled in a district under a
8.6 cultural exchange program registered with the Office of the Secretary of State under
8.7 section 5A.02 may be counted as a resident pupil for the purposes of this chapter
8.8 and chapters 120B, 122A, 123A, 123B, 124D, 125A, and 127A, even if the pupil has
8.9 graduated from high school or the equivalent.

8.10 Sec. 10. Minnesota Statutes 2008, section 126C.10, is amended by adding a
8.11 subdivision to read:

8.12 Subd. 8a. **Sparsity revenue for school districts that close facilities.** A school
8.13 district that closes a school facility is eligible for elementary and secondary sparsity
8.14 revenue equal to the greater of the amounts calculated under subdivisions 6, 7, and 8 or
8.15 the total amount of sparsity revenue for the previous fiscal year if the school board of the
8.16 district has adopted a written resolution stating that the district intends to close the school
8.17 facility, but cannot proceed with the closure without the adjustment to sparsity revenue
8.18 authorized by this subdivision. The written resolution must be filed with the commissioner
8.19 of education at least 60 days prior to the start of the fiscal year for which aid under this
8.20 subdivision is first requested.

8.21 **EFFECTIVE DATE.** This section is effective the day following final enactment
8.22 for revenue for fiscal years 2010 and later.

8.23 Sec. 11. Minnesota Statutes 2008, section 126C.10, subdivision 34, is amended to read:

8.24 Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal years
8.25 ~~2007 and later~~, 2008, and 2009, the basic alternative teacher compensation aid for a
8.26 school district with a plan approved under section 122A.414, subdivision 2b, equals ~~65~~
8.27 73.1 percent of the alternative teacher compensation revenue under section 122A.415,
8.28 subdivision 1. The basic alternative teacher compensation aid for an intermediate school
8.29 district or charter school with a plan approved under section 122A.414, subdivisions 2a
8.30 and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled
8.31 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal
8.32 year for a charter school in the first year of operation, times the ratio of the sum of the
8.33 alternative teacher compensation aid and alternative teacher compensation levy for all

9.1 participating school districts to the maximum alternative teacher compensation revenue
9.2 for those districts under section 122A.415, subdivision 1.

9.3 (b) For fiscal years 2010 and later, the basic alternative teacher compensation aid for
9.4 a school with a plan approved under section 122A.414, subdivision 2b, equals 65 percent
9.5 of the alternative teacher compensation revenue under section 122A.415, subdivision 1.
9.6 The basic alternative teacher compensation aid for an intermediate school district or
9.7 charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if
9.8 the recipient is a charter school, equals \$260 times the number of pupils enrolled in the
9.9 school on October 1 of the previous year, or on October 1 of the current year for a charter
9.10 school in the first year of operation, times the ratio of the sum of the alternative teacher
9.11 compensation aid and alternative teacher compensation levy for all participating school
9.12 districts to the maximum alternative teacher compensation revenue for those districts
9.13 under section 122A.415, subdivision 1.

9.14 ~~(b)~~ (c) Notwithstanding paragraphs (a) and (b) and section 122A.415, subdivision
9.15 1, the state total basic alternative teacher compensation aid entitlement must not exceed
9.16 \$75,636,000 for fiscal year 2007 and later. The commissioner must limit the amount
9.17 of alternative teacher compensation aid approved under section 122A.415 so as not to
9.18 exceed these limits.

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

9.20 Sec. 12. Minnesota Statutes 2008, section 126C.15, subdivision 2, is amended to read:

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

9.26 (b) Notwithstanding paragraph (a), a district may allocate up to five percent of the
9.27 amount of compensatory revenue that the district receives to school sites according to a
9.28 plan adopted by the school board. The money reallocated under this paragraph must be
9.29 spent for the purposes listed in subdivision 1, but may be spent on students in any grade,
9.30 including students attending school readiness or other prekindergarten programs.

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

9.33 ~~(d) If the pupil is served at a site other than one owned and operated by the district,~~
9.34 ~~the revenue shall be paid to the district and used for services for pupils who generate~~

10.1 ~~the revenue~~ Notwithstanding section 123A. 26, subdivision 1, compensatory revenue
10.2 generated by students served at a cooperative unit shall be paid to the cooperative unit.

10.3 (e) A district with school building openings, school building closings, changes
10.4 in attendance area boundaries, or other changes in programs or student demographics
10.5 between the prior year and the current year may reallocate compensatory revenue among
10.6 sites to reflect these changes. A district must report to the department any adjustments it
10.7 makes according to this paragraph and the department must use the adjusted compensatory
10.8 revenue allocations in preparing the report required under section 123B.76, subdivision 3,
10.9 paragraph (c).

10.10 Sec. 13. Minnesota Statutes 2008, section 126C.15, subdivision 4, is amended to read:

10.11 Subd. 4. **Separate accounts.** Each district and cooperative unit that receives basic
10.12 skills revenue shall maintain separate accounts to identify expenditures for salaries and
10.13 programs related to basic skills revenue.

10.14 Sec. 14. Minnesota Statutes 2008, section 126C.17, subdivision 9, is amended to read:

10.15 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
10.16 subdivision 1, may be increased in the amount approved by the voters of the district at a
10.17 referendum called for the purpose. The referendum may be called by the board ~~or shall be~~
10.18 ~~called by the board upon written petition of qualified voters of the district.~~ The referendum
10.19 must be conducted one or two calendar years before the increased levy authority, if
10.20 approved, first becomes payable. Only one election to approve an increase may be held
10.21 in a calendar year. Unless the referendum is conducted by mail under subdivision 11,
10.22 paragraph (a), the referendum must be held on the first Tuesday after the first Monday
10.23 in November. The ballot must state the maximum amount of the increased revenue per
10.24 resident marginal cost pupil unit. The ballot may state a schedule, determined by the
10.25 board, of increased revenue per resident marginal cost pupil unit that differs from year
10.26 to year over the number of years for which the increased revenue is authorized or may
10.27 state that the amount shall increase annually by the rate of inflation. For this purpose, the
10.28 rate of inflation shall be the annual inflationary increase calculated under subdivision 2,
10.29 paragraph (b). The ballot may state that existing referendum levy authority is expiring. In
10.30 this case, the ballot may also compare the proposed levy authority to the existing expiring
10.31 levy authority, and express the proposed increase as the amount, if any, over the expiring
10.32 referendum levy authority. The ballot must designate the specific number of years, not to
10.33 exceed ten, for which the referendum authorization applies. The ballot, including a ballot
10.34 on the question to revoke or reduce the increased revenue amount under paragraph (c),

11.1 must abbreviate the term "per resident marginal cost pupil unit" as "per pupil." The notice
11.2 required under section 275.60 may be modified to read, in cases of renewing existing
11.3 levies at the same amount per pupil as in the previous year:

11.4 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING
11.5 TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS
11.6 SCHEDULED TO EXPIRE."

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

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

11.11 If approved, an amount equal to the approved revenue per resident marginal cost
11.12 pupil unit times the resident marginal cost pupil units for the school year beginning in
11.13 the year after the levy is certified shall be authorized for certification for the number of
11.14 years approved, if applicable, or until revoked or reduced by the voters of the district at a
11.15 subsequent referendum.

11.16 (b) The board must prepare and deliver by first class mail at least 15 days but no more
11.17 than 30 days before the day of the referendum to each taxpayer a notice of the referendum
11.18 and the proposed revenue increase. The board need not mail more than one notice to any
11.19 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be
11.20 those shown to be owners on the records of the county auditor or, in any county where
11.21 tax statements are mailed by the county treasurer, on the records of the county treasurer.
11.22 Every property owner whose name does not appear on the records of the county auditor
11.23 or the county treasurer is deemed to have waived this mailed notice unless the owner
11.24 has requested in writing that the county auditor or county treasurer, as the case may be,
11.25 include the name on the records for this purpose. The notice must project the anticipated
11.26 amount of tax increase in annual dollars for typical residential homesteads, agricultural
11.27 homesteads, apartments, and commercial-industrial property within the school district.

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

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

12.1 (c) A referendum on the question of revoking or reducing the increased revenue
12.2 amount authorized pursuant to paragraph (a) may be called by the board ~~and shall be called~~
12.3 ~~by the board upon the written petition of qualified voters of the district.~~ A referendum to
12.4 revoke or reduce the revenue amount must state the amount per resident marginal cost
12.5 pupil unit by which the authority is to be reduced. Revenue authority approved by the
12.6 voters of the district pursuant to paragraph (a) must be available to the school district at
12.7 least once before it is subject to a referendum on its revocation or reduction for subsequent
12.8 years. Only one revocation or reduction referendum may be held to revoke or reduce
12.9 referendum revenue for any specific year and for years thereafter.

12.10 ~~(d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of~~
12.11 ~~qualified voters in excess of 15 percent of the registered voters of the district on the day~~
12.12 ~~the petition is filed with the board. A referendum invoked by petition must be held on the~~
12.13 ~~date specified in paragraph (a).~~

12.14 ~~(e)~~ The approval of 50 percent plus one of those voting on the question is required to
12.15 pass a referendum authorized by this subdivision.

12.16 ~~(f)~~ (e) At least 15 days before the day of the referendum, the district must submit a
12.17 copy of the notice required under paragraph (b) to the commissioner and to the county
12.18 auditor of each county in which the district is located. Within 15 days after the results
12.19 of the referendum have been certified by the board, or in the case of a recount, the
12.20 certification of the results of the recount by the canvassing board, the district must notify
12.21 the commissioner of the results of the referendum.

12.22 **EFFECTIVE DATE.** This section is effective for petitions filed after July 1, 2009.

12.23 Sec. 15. Minnesota Statutes 2008, section 126C.40, subdivision 6, is amended to read:

12.24 Subd. 6. **Lease purchase; installment buys.** (a) Upon application to, and approval
12.25 by, the commissioner in accordance with the procedures and limits in subdivision 1,
12.26 paragraphs (a) and (b), a district, as defined in this subdivision, may:

12.27 (1) purchase real or personal property under an installment contract or may lease
12.28 real or personal property with an option to purchase under a lease purchase agreement, by
12.29 which installment contract or lease purchase agreement title is kept by the seller or vendor
12.30 or assigned to a third party as security for the purchase price, including interest, if any; and

12.31 (2) annually levy the amounts necessary to pay the district's obligations under the
12.32 installment contract or lease purchase agreement.

12.33 (b) The obligation created by the installment contract or the lease purchase
12.34 agreement must not be included in the calculation of net debt for purposes of section

13.1 475.53, and does not constitute debt under other law. An election is not required in
13.2 connection with the execution of the installment contract or the lease purchase agreement.

13.3 (c) The proceeds of the levy authorized by this subdivision must not be used to
13.4 acquire a facility to be primarily used for athletic or school administration purposes.

13.5 (d) For the purposes of this subdivision, "district" means:

13.6 (1) a school district ~~required to have a comprehensive plan for the elimination of~~
13.7 ~~segregation~~ which is eligible for revenue under section 124D.86, subdivision 3, clause (1),
13.8 (2), or (3), and whose plan has been determined by the commissioner to be in compliance
13.9 with Department of Education rules relating to equality of educational opportunity and
13.10 school desegregation and, for a district eligible for revenue under section 124D.86,
13.11 subdivision 3, clause (4) or (5), where the acquisition of property under this subdivision is
13.12 determined by the commissioner to contribute to the implementation of the desegregation
13.13 plan; or

13.14 (2) a school district that participates in a joint program for interdistrict desegregation
13.15 with a district defined in clause (1) if the facility acquired under this subdivision is to
13.16 be primarily used for the joint program and the commissioner determines that the joint
13.17 programs are being undertaken to implement the districts' desegregation plan.

13.18 (e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease
13.19 or rent a district-owned building to itself does not apply to levies otherwise authorized
13.20 by this subdivision.

13.21 (f) For the purposes of this subdivision, any references in subdivision 1 to building
13.22 or land shall include personal property.

13.23 Sec. 16. Minnesota Statutes 2008, section 126C.41, subdivision 2, is amended to read:

13.24 Subd. 2. **Retired employee health benefits.** (a) A district may levy an amount up
13.25 to the amount the district is required by the collective bargaining agreement in effect
13.26 on March 30, 1992, to pay for health insurance or unreimbursed medical expenses for
13.27 licensed and nonlicensed employees who have terminated services in the employing
13.28 district and withdrawn from active teaching service or other active service, as applicable,
13.29 before July 1, 1992, and to pay for health insurance or unreimbursed medical expenses
13.30 for licensed and nonlicensed employees who have terminated services in the employing
13.31 district and withdrawn from active teaching service or other active service, as applicable
13.32 before July 1, 1998, if a sunset clause is in effect for the current collective bargaining
13.33 agreement. The total amount of the levy each year may not exceed \$600,000.

13.34 (b) In addition to the levy authority granted under paragraph (a), a school district
13.35 may levy for other postemployment benefits expenses. For purposes of this subdivision

14.1 "postemployment benefits" means benefits giving rise to a liability under Statement No.
14.2 45 of the Government Accounting Standards Board. A district seeking levy authority
14.3 under this subdivision must:

14.4 (1) create or have created an actuarial liability to pay postemployment benefits to
14.5 employees or officers after their termination of service;

14.6 (2) have a sunset clause in effect for the current collective bargaining agreement
14.7 as required by paragraph (a); and

14.8 (3) apply for the authority in the form and manner required by the commissioner
14.9 of education.

14.10 If the total levy authority requested under this paragraph exceeds the amount established
14.11 in paragraph (c), the commissioner must proportionately reduce each district's maximum
14.12 levy authority under this subdivision.

14.13 (c) The maximum levy authority under paragraph (b) must not exceed the following
14.14 amounts:

14.15 (1) \$9,242,000 for taxes payable in 2010;

14.16 (2) \$29,863,000 for taxes payable in 2011; and

14.17 (3) for taxes payable in 2012 and later, the maximum levy authority must not exceed
14.18 the sum of the previous year's authority and \$14,000,000.

14.19 Sec. 17. Minnesota Statutes 2008, section 126C.44, is amended to read:

14.20 **126C.44 SAFE SCHOOLS LEVY.**

14.21 (a) Each district may make a levy on all taxable property located within the district
14.22 for the purposes specified in this section. The maximum amount which may be levied
14.23 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted
14.24 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and
14.25 used for directly funding the following purposes or for reimbursing the cities and counties
14.26 who contract with the district for the following purposes: (1) to pay the costs incurred for
14.27 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in
14.28 services in the district's schools; (2) to pay the costs for a drug abuse prevention program
14.29 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;
14.30 (3) to pay the costs for a gang resistance education training curriculum in the district's
14.31 schools; (4) to pay the costs for security in the district's schools and on school property; (5)
14.32 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary
14.33 opt-in suicide prevention tools, and violence prevention measures taken by the school
14.34 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed
14.35 school social workers, licensed school psychologists, and licensed alcohol and chemical

15.1 dependency counselors to help provide early responses to problems. For expenditures
 15.2 under clause (1), the district must initially attempt to contract for services to be provided
 15.3 by peace officers or sheriffs with the police department of each city or the sheriff's
 15.4 department of the county within the district containing the school receiving the services. If
 15.5 a local police department or a county sheriff's department does not wish to provide the
 15.6 necessary services, the district may contract for these services with any other police or
 15.7 sheriff's department located entirely or partially within the school district's boundaries.

15.8 (b) A school district that is a member of an intermediate school district may
 15.9 include in its authority under this section the costs associated with safe schools activities
 15.10 authorized under paragraph (a) for intermediate school district programs. This authority
 15.11 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.
 15.12 This authority is in addition to any other authority authorized under this section. Revenue
 15.13 raised under this paragraph must be transferred to the intermediate school district.

15.14 (c) A school district must set aside at least \$3 per adjusted marginal cost pupil
 15.15 unit of the safe schools levy proceeds for the purposes authorized under paragraph (a),
 15.16 clause (6). The district must annually certify either that: (1) its total spending on services
 15.17 provided by the employees listed in paragraph (a), clause (6), is not less than the sum of
 15.18 its expenditures for these purposes, excluding amounts spent under this section, in the
 15.19 previous year plus the amount spent under this section; or (2) that the district's full-time
 15.20 equivalent number of employees listed in paragraph (a), clause (6), is not less than the
 15.21 number for the previous year.

15.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2010
 15.23 and later.

15.24 Sec. 18. Minnesota Statutes 2008, section 127A.47, subdivision 7, is amended to read:

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

15.29 (a) General education aid paid to a resident district must be reduced by an amount
 15.30 equal to the referendum equalization aid attributable to the pupil in the resident district.

15.31 (b) General education aid paid to a district serving a pupil in programs listed in this
 15.32 subdivision must be increased by an amount equal to the greater of (1) the referendum
 15.33 equalization aid attributable to the pupil in the nonresident district; or (2) the product of
 15.34 the district's open enrollment concentration index, the maximum amount of referendum
 15.35 revenue in the first tier, and the district's net open enrollment pupil units for that year. A

16.1 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the
16.2 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units
16.3 served to its resident pupil units for that year and 0.2. This clause does not apply to a
16.4 school district where more than 50 percent of the open enrollment students are enrolled
16.5 solely in online learning courses.

16.6 (c) If the amount of the reduction to be made from the general education aid of the
16.7 resident district is greater than the amount of general education aid otherwise due the
16.8 district, the excess reduction must be made from other state aids due the district.

16.9 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an
16.10 area learning center, operated according to paragraph (f), providing special instruction and
16.11 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in
16.12 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must
16.13 be equal to (1) the actual cost of providing special instruction and services to the pupil,
16.14 including a proportionate amount for special transportation and unreimbursed building
16.15 lease and debt service costs for facilities used primarily for special education, minus (2)
16.16 if the pupil receives special instruction and services outside the regular classroom for
16.17 more than 60 percent of the school day, the amount of general education revenue and
16.18 referendum aid attributable to that pupil for the portion of time the pupil receives special
16.19 instruction and services outside of the regular classroom, excluding portions attributable to
16.20 district and school administration, district support services, operations and maintenance,
16.21 capital expenditures, and pupil transportation, minus (3) special education aid attributable
16.22 to that pupil, that is received by the district providing special instruction and services.
16.23 For purposes of this paragraph, general education revenue and referendum equalization
16.24 aid attributable to a pupil must be calculated using the serving district's average general
16.25 education revenue and referendum equalization aid per adjusted pupil unit.

16.26 (e) For fiscal year 2007 and later, special education aid paid to a resident district
16.27 must be reduced by an amount equal to (1) the actual cost of providing special instruction
16.28 and services, including special transportation and unreimbursed building lease and debt
16.29 service costs for facilities used primarily for special education, for a pupil with a disability,
16.30 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled
16.31 in a program listed in this subdivision, minus (2) if the pupil receives special instruction
16.32 and services outside the regular classroom for more than 60 percent of the school day,
16.33 the amount of general education revenue and referendum equalization aid attributable
16.34 to that pupil for the portion of time the pupil receives special instruction and services
16.35 outside of the regular classroom, excluding portions attributable to district and school
16.36 administration, district support services, operations and maintenance, capital expenditures,

17.1 and pupil transportation, minus (3) special education aid attributable to that pupil, that is
 17.2 received by the district providing special instruction and services. For purposes of this
 17.3 paragraph, general education revenue and referendum equalization aid attributable to a
 17.4 pupil must be calculated using the serving district's average general education revenue
 17.5 and referendum equalization aid per adjusted pupil unit. Special education aid paid to the
 17.6 district or cooperative providing special instruction and services for the pupil, or to the
 17.7 fiscal agent district for a cooperative, must be increased by the amount of the reduction
 17.8 in the aid paid to the resident district. If the resident district's special education aid is
 17.9 insufficient to make the full adjustment, the remaining adjustment shall be made to other
 17.10 state aids due to the district.

17.11 (f) An area learning center operated by a service cooperative, intermediate district,
 17.12 education district, or a joint powers cooperative may elect through the action of the
 17.13 constituent boards to charge the resident district tuition for pupils rather than to have the
 17.14 general education revenue paid to a fiscal agent school district. Except as provided in
 17.15 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent of
 17.16 the district average general education revenue per pupil unit minus an amount equal to the
 17.17 product of the formula allowance according to section 126C.10, subdivision 2, times .0485,
 17.18 calculated without ~~basic skills~~ compensatory revenue and transportation sparsity revenue,
 17.19 times the number of pupil units for pupils attending the area learning center, ~~plus the~~
 17.20 ~~amount of compensatory revenue generated by pupils attending the area learning center.~~

17.21 Sec. 19. Minnesota Statutes 2008, section 475.58, subdivision 1, as amended by 2009
 17.22 H.F. No. 1298, article 2, section 36, if enacted, is amended to read:

17.23 Subdivision 1. **Approval by electors; exceptions.** Obligations authorized by law or
 17.24 charter may be issued by any municipality upon obtaining the approval of a majority of
 17.25 the electors voting on the question of issuing the obligations, but an election shall not be
 17.26 required to authorize obligations issued:

17.27 (1) to pay any unpaid judgment against the municipality;

17.28 (2) for refunding obligations;

17.29 (3) for an improvement or improvement program, which obligation is payable wholly
 17.30 or partly from the proceeds of special assessments levied upon property specially benefited
 17.31 by the improvement or by an improvement within the improvement program, or from tax
 17.32 increments, as defined in section 469.174, subdivision 25, including obligations which are
 17.33 the general obligations of the municipality, if the municipality is entitled to reimbursement
 17.34 in whole or in part from the proceeds of such special assessments or tax increments and
 17.35 not less than 20 percent of the cost of the improvement or the improvement program is to

- 18.1 be assessed against benefited property or is to be paid from the proceeds of federal grant
18.2 funds or a combination thereof, or is estimated to be received from tax increments;
- 18.3 (4) payable wholly from the income of revenue producing conveniences;
- 18.4 (5) under the provisions of a home rule charter which permits the issuance of
18.5 obligations of the municipality without election;
- 18.6 (6) under the provisions of a law which permits the issuance of obligations of a
18.7 municipality without an election;
- 18.8 (7) to fund pension or retirement fund liabilities of a municipality ~~or postemployment~~
18.9 ~~benefit liabilities of a school district~~ pursuant to section 475.52, subdivision 6;
- 18.10 (8) under a capital improvement plan under section 373.40;
- 18.11 (9) under sections 469.1813 to 469.1815 (property tax abatement authority bonds), if
18.12 the proceeds of the bonds are not used for a purpose prohibited under section 469.176,
18.13 subdivision 4g, paragraph (b);
- 18.14 (10) to fund postemployment benefit liabilities pursuant to section 475.52,
18.15 subdivision 6, of a municipality, other than a school district, if the liabilities are limited to:
- 18.16 (i) satisfying the requirements of section 471.61, subdivision 2b; and
18.17 (ii) other postemployment benefits, which the municipality no longer provides to
18.18 employees hired after a date before the obligations are issued; and
- 18.19 (11) under section 475.755.

18.20 **EFFECTIVE DATE.** This section is effective the day following final enactment,
18.21 except that the changes made to clause (7) are effective for obligations sold after October
18.22 1, 2009.

18.23 Sec. 20. **ST. LOUIS COUNTY SCHOOL CLOSING.**

18.24 Independent School District No. 2142, St. Louis County, is eligible for sparsity
18.25 revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal
18.26 years 2010 and later if the board has adopted the required written resolution at any time
18.27 prior to the start of the 2009-2010 school year.

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

18.29 Sec. 21. **ONETIME GENERAL EDUCATION REVENUE REDUCTION**
18.30 **REPLACED WITH FEDERAL FUNDS FROM THE FISCAL STABILIZATION**
18.31 **ACCOUNT.**

18.32 Subdivision 1. **General education reduction.** Notwithstanding Minnesota Statutes,
18.33 sections 126C.13 and 126C.20, the state total general education aid for fiscal year 2010 is
18.34 reduced by \$500,000,000. The aid reduction must be allocated among school districts and

19.1 charter schools in proportion to the school district or charter school's general education
19.2 revenue for fiscal year 2008 under Minnesota Statutes, section 126C.10, or Minnesota
19.3 Statutes, section 124D.11, subdivisions 1 and 2.

19.4 Subd. 2. **Allocation of federal fiscal stabilization funds.** The commissioner must
19.5 offset the onetime general education aid reduction for each school district and charter
19.6 school under subdivision 1 with an equal amount of federal aid from the fiscal stabilization
19.7 account in the federal fund.

19.8 Subd. 3. **Primary payee.** The commissioner of finance may designate a primary
19.9 payee for each state fiscal stabilization award. The primary payee must transfer the amount
19.10 of stabilization funds appropriated by law to the state agencies and higher education
19.11 institutions designated to receive these funds in law.

19.12 Sec. 22. **FISCAL STABILIZATION ACCOUNT.**

19.13 The fiscal stabilization account is created in the federal fund in the state treasury. All
19.14 money received by the state under title XIV of the American Recovery and Reinvestment
19.15 Act of 2009, Public Law 111-5, division A, must be credited to the fiscal stabilization
19.16 account. Money in the account must not be spent except pursuant to a direct appropriation
19.17 by law. When all money credited and to be credited to the account from the American
19.18 Recovery and Reinvestment Act of 2009 has been spent, the commissioner of finance
19.19 shall close the account.

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

19.21 Sec. 23. **EQUALIZING FACTORS.**

19.22 The commissioner shall adjust each referendum market value equalizing factor
19.23 established under Minnesota Statutes, chapter 126C, by dividing the equalizing factor by
19.24 the ratio of the statewide referendum market value as calculated using the definition
19.25 of referendum market value that was in effect prior to the 2009 legislative session for
19.26 assessment year 2009 to the statewide referendum market value that is in effect after the
19.27 2009 legislative session for that assessment year.

19.28 **EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and later.

19.29 Sec. 24. **APPROPRIATIONS; STATE.**

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

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

20.3 \$ 5,195,504,000 2010

20.4 \$ 5,626,994,000 2011

20.5 The 2010 appropriation includes \$555,864,000 for 2009 and \$4,639,640,000 for
20.6 2010.

20.7 The 2011 appropriation includes \$500,976,000 for 2010 and \$5,126,018,000 for
20.8 2011.

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

20.12 \$ 48,000 2010

20.13 \$ 52,000 2011

20.14 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
20.15 127A.49:

20.16 \$ 1,175,000 2010

20.17 \$ 1,034,000 2011

20.18 The 2010 appropriation includes \$140,000 for 2009 and \$1,035,000 for 2010.

20.19 The 2011 appropriation includes \$115,000 for 2010 and \$919,000 for 2011.

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

20.22 \$ 854,000 2010

20.23 \$ 927,000 2011

20.24 The 2010 appropriation includes \$0 for 2009 and \$854,000 for 2010.

20.25 The 2011 appropriation includes \$94,000 for 2010 and \$833,000 for 2011.

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

20.28 \$ 17,250,000 2010

20.29 \$ 17,889,000 2011

20.30 The 2010 appropriation includes \$1,647,000 for 2009 and \$15,603,000 for 2010.

21.1 The 2011 appropriation includes \$1,733,000 for 2010 and \$16,156,000 for 2011.

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

21.4 \$ 22,159,000 2010

21.5 \$ 22,712,000 2011

21.6 The 2010 appropriation includes \$2,077,000 for 2009 and \$20,082,000 for 2010.

21.7 The 2011 appropriation includes \$2,231,000 for 2010 and \$20,481,000 for 2011.

21.8 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.
21.9 690, Warroad, to operate the Angle Inlet School:

21.10 \$ 65,000 2010

21.11 \$ 65,000 2011

21.12 Subd. 9. **Independent School District No. 239, Rushford-Peterson.** For school
21.13 district flood enrollment impact aid as a result of the floods of August 2007:

21.14 \$ 158,000 2010

21.15 The base appropriation for later fiscal years is \$0.

21.16 Subd. 10. **Lancaster.** For a grant to Independent School District No. 356, Lancaster,
21.17 to replace the loss of sparsity revenue:

21.18 \$ 100,000 2010

21.19 \$ 100,000 2011

21.20 The base appropriation for later fiscal years is \$0.

21.21 Subd. 11. **Compensatory revenue pilot project.** For grants for participation in the
21.22 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,
21.23 article 1, section 50:

21.24 \$ 2,175,000 2010

21.25 \$ 2,175,000 2011

21.26 Of this amount, \$1,500,000 in each year is for a grant to Independent School District
21.27 No. 11, Anoka-Hennepin; \$210,000 in each year is for a grant to Independent School
21.28 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School
21.29 District No. 281, Robbinsdale; \$75,000 in each year is for a grant to Independent School
21.30 District No. 286, Brooklyn Center; \$165,000 in each year is for a grant to Independent

22.1 School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent
22.2 School District No. 833, South Washington.

22.3 If a grant to a specific school district is not awarded, the commissioner may increase
22.4 the aid amounts to any of the remaining participating school districts.

22.5 This appropriation is part of the base budget for subsequent fiscal years.

22.6 **Sec. 25. APPROPRIATIONS; FEDERAL FUND.**

22.7 Subdivision 1. **Department of Education.** The sums indicated in this section are
22.8 appropriated from the fiscal stabilization account in the federal fund to the commissioner
22.9 of education for the fiscal years designated.

22.10 Subd. 2. **General education offset.** To offset the onetime general education revenue
22.11 reduction under section 23:

22.12 \$ 500,000,000 2010

22.13 Any balance does not cancel but is available for obligation until September 30, 2011.

22.14 **ARTICLE 2**
22.15 **EDUCATION EXCELLENCE**

22.16 Section 1. Minnesota Statutes 2008, section 13.32, is amended by adding a subdivision
22.17 to read:

22.18 Subd. 10a. **Access to student records; school conferences.** (a) A parent or guardian
22.19 of a student may designate an individual, defined under paragraph (c), to participate in a
22.20 school conference involving the child of the parent or guardian. The parent or guardian
22.21 must provide the school with prior written consent allowing the significant individual to
22.22 participate in the conference and to receive any data on the child of the consenting parent
22.23 or guardian that are necessary and relevant to the conference discussions. The consenting
22.24 parent or guardian may withdraw consent, in writing, at any time.

22.25 (b) A school may accept the following form, or another consent to release student
22.26 data form, as sufficient to meet the requirements of this subdivision:

22.27 **"CONSENT TO PARTICIPATE IN CONFERENCES AND**
22.28 **RECEIVE STUDENT DATA**

22.29 I, (Name of parent or guardian), as parent or guardian of
22.30 (Name of child), consent to allow
22.31 (Name of an individual) to participate in school conferences and receive student data
22.32 relating to the above-named child, consistent with Minnesota Statutes, section 13.32,

23.1 subdivision 10a. I understand that I may withdraw my consent, upon written request, at
23.2 any time.

23.3 (Signature of parent or guardian)

23.4 (Date)"

23.5 (c) For purposes of this section, "an individual" means one additional adult
23.6 designated by a child's parent or guardian to attend school-related activities and
23.7 conferences.

23.8 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
23.9 later.

23.10 Sec. 2. Minnesota Statutes 2008, section 120A.22, subdivision 12, is amended to read:

23.11 Subd. 12. **Legitimate exemptions.** A parent, guardian, or other person having
23.12 control of a child may apply to a school district to have the child excused from attendance
23.13 for the whole or any part of the time school is in session during any school year.

23.14 Application may be made to any member of the board, a truant officer, a principal, or the
23.15 superintendent. The school district may state in its school attendance policy that it may ask
23.16 the student's parent or legal guardian to verify in writing the reason for the child's absence
23.17 from school. A note from a physician or a licensed mental health professional stating that
23.18 the child cannot attend school is a valid excuse. The board of the district in which the
23.19 child resides may approve the application upon the following being demonstrated to the
23.20 satisfaction of that board:

23.21 (1) that the child's ~~bodily~~ physical or mental ~~condition~~ health is such as to prevent
23.22 attendance at school or application to study for the period required, which includes:

23.23 (i) child illness, medical, dental, orthodontic, or counseling appointments;

23.24 (ii) family emergencies;

23.25 (iii) the death or serious illness or funeral of an immediate family member;

23.26 (iv) active duty in any military branch of the United States; ~~or~~

23.27 (v) the child has a condition that requires ongoing treatment for a mental health
23.28 diagnosis; or

23.29 (vi) other exemptions included in the district's school attendance policy;

23.30 (2) that the child has already completed state and district standards required for
23.31 graduation from high school; or

23.32 (3) that it is the wish of the parent, guardian, or other person having control of the
23.33 child, that the child attend for a period or periods not exceeding in the aggregate three
23.34 hours in any week, a school for religious instruction conducted and maintained by some

24.1 church, or association of churches, or any Sunday school association incorporated under
24.2 the laws of this state, or any auxiliary thereof. This school for religious instruction must
24.3 be conducted and maintained in a place other than a public school building, and it must
24.4 not, in whole or in part, be conducted and maintained at public expense. However, a child
24.5 may be absent from school on such days as the child attends upon instruction according to
24.6 the ordinances of some church.

24.7 Sec. 3. Minnesota Statutes 2008, section 120B.02, is amended to read:

24.8 **120B.02 EDUCATIONAL EXPECTATIONS FOR MINNESOTA'S**
24.9 **STUDENTS.**

24.10 (a) The legislature is committed to establishing rigorous academic standards for
24.11 Minnesota's public school students. To that end, the commissioner shall adopt in rule
24.12 statewide academic standards. The commissioner shall not prescribe in rule or otherwise
24.13 the delivery system, classroom assessments, or form of instruction that school sites must
24.14 use. For purposes of this chapter, a school site is a separate facility, or a separate program
24.15 within a facility that a local school board recognizes as a school site for funding purposes.

24.16 (b) All commissioner actions regarding the rule must be premised on the following:

24.17 (1) the rule is intended to raise academic expectations for students, teachers, and
24.18 schools;

24.19 (2) any state action regarding the rule must evidence consideration of school district
24.20 autonomy; and

24.21 (3) the Department of Education, with the assistance of school districts, must make
24.22 available information about all state initiatives related to the rule to students and parents,
24.23 teachers, and the general public in a timely format that is appropriate, comprehensive, and
24.24 readily understandable.

24.25 (c) When fully implemented, the requirements for high school graduation in
24.26 Minnesota must require students to satisfactorily complete, as determined by the school
24.27 district, the course credit requirements under section 120B.24, all state academic standards
24.28 or local academic standards where state standards do not apply, and: ~~successfully pass~~
24.29 graduation examinations as required under section 120B.30.

24.30 ~~(1) for students enrolled in grade 8 before the 2005-2006 school year, to pass the~~
24.31 ~~basic skills test requirements; and~~

24.32 ~~(2) for students enrolled in grade 8 in the 2005-2006 school year and later, to pass~~
24.33 ~~the Minnesota Comprehensive Assessments Second Edition (MCA-II's).~~

24.34 (d) The commissioner shall periodically review and report on the state's assessment
24.35 process.

25.1 (e) School districts are not required to adopt specific provisions of the federal
25.2 School-to-Work programs.

25.3 EFFECTIVE DATE. This section is effective August 1, 2012, and applies to
25.4 students entering the 9th grade in the 2012-2013 school year and later.

25.5 Sec. 4. Minnesota Statutes 2008, section 120B.022, subdivision 1, is amended to read:

25.6 Subdivision 1. **Elective standards.** (a) A district must establish its own standards in
25.7 the following subject areas:

25.8 (1) vocational and technical education; and

25.9 (2) world languages.

25.10 A school district must offer courses in all elective subject areas.

25.11 (b) World languages teachers and other school staff should develop and implement
25.12 world languages programs that acknowledge and reinforce the language proficiency and
25.13 cultural awareness that non-English language speakers already possess, and encourage
25.14 students' proficiency in multiple world languages. Programs under this paragraph must
25.15 encompass indigenous American Indian languages and cultures, among other world
25.16 languages and cultures. The department shall consult with postsecondary institutions in
25.17 developing related professional development opportunities.

25.18 (c) Any Minnesota public, charter, or nonpublic school may award Minnesota
25.19 World Language Proficiency Certificates or Minnesota World Language Proficiency High
25.20 Achievement Certificates, consistent with this subdivision.

25.21 The Minnesota World Language Proficiency Certificate recognizes students who
25.22 demonstrate listening, speaking, reading, and writing language skills at the American
25.23 Council on the Teaching of Foreign Languages' Intermediate-Low level on a valid and
25.24 reliable assessment tool. For languages listed as Category 3 by the United States Foreign
25.25 Service Institute or Category 4 by the United States Defense Language Institute, the
25.26 standard is Intermediate-Low for listening and speaking and Novice-High for reading
25.27 and writing.

25.28 The Minnesota World Language Proficiency High Achievement Certificate
25.29 recognizes students who demonstrate listening, speaking, reading, and writing language
25.30 skills at the American Council on the Teaching of Foreign Languages' Pre-Advanced level
25.31 for K-12 learners on a valid and reliable assessment tool. For languages listed as Category
25.32 3 by the United States Foreign Service Institute or Category 4 by the United States
25.33 Defense Language Institute, the standard is Pre-Advanced for listening and speaking and
25.34 Intermediate-Mid for reading and writing.

26.1 Sec. 5. Minnesota Statutes 2008, section 120B.023, subdivision 2, is amended to read:

26.2 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must
26.3 revise and appropriately embed technology and information literacy standards consistent
26.4 with recommendations from school media specialists into the state's academic standards
26.5 and graduation requirements and implement a review cycle for state academic standards
26.6 and related benchmarks, consistent with this subdivision. During each review cycle, the
26.7 commissioner also must examine the alignment of each required academic standard and
26.8 related benchmark with the knowledge and skills students need for college readiness and
26.9 advanced work in the particular subject area.

26.10 (b) The commissioner in the 2006-2007 school year must revise and align the state's
26.11 academic standards and high school graduation requirements in mathematics to require
26.12 that students satisfactorily complete the revised mathematics standards, beginning in the
26.13 2010-2011 school year. Under the revised standards:

26.14 (1) students must satisfactorily complete an algebra I credit by the end of eighth
26.15 grade; and

26.16 (2) students scheduled to graduate in the 2014-2015 school year or later must
26.17 satisfactorily complete an algebra II credit or its equivalent.

26.18 The commissioner also must ensure that the statewide mathematics assessments
26.19 administered to students in grades 3 through 8 and 11 ~~beginning in the 2010-2011 school~~
26.20 ~~year~~ are aligned with the state academic standards in mathematics, consistent with section
26.21 120B.30, subdivision 1, paragraph (b). ~~The statewide 11th grade mathematics test~~
26.22 ~~administered to students under clause (2) beginning in the 2013-2014 school year must~~
26.23 ~~include algebra II test items that are aligned with corresponding state academic standards~~
26.24 ~~in mathematics.~~ The commissioner must implement a review of the academic standards
26.25 and related benchmarks in mathematics beginning in the 2015-2016 school year.

26.26 (c) The commissioner in the 2007-2008 school year must revise and align the state's
26.27 academic standards and high school graduation requirements in the arts to require that
26.28 students satisfactorily complete the revised arts standards beginning in the 2010-2011
26.29 school year. The commissioner must implement a review of the academic standards and
26.30 related benchmarks in arts beginning in the 2016-2017 school year.

26.31 (d) The commissioner in the 2008-2009 school year must revise and align the state's
26.32 academic standards and high school graduation requirements in science to require that
26.33 students satisfactorily complete the revised science standards, beginning in the 2011-2012
26.34 school year. Under the revised standards, students scheduled to graduate in the 2014-2015
26.35 school year or later must satisfactorily complete a chemistry or physics credit. The

27.1 commissioner must implement a review of the academic standards and related benchmarks
27.2 in science beginning in the 2017-2018 school year.

27.3 (e) The commissioner in the 2009-2010 school year must revise and align the state's
27.4 academic standards and high school graduation requirements in language arts to require
27.5 that students satisfactorily complete the revised language arts standards beginning in the
27.6 2012-2013 school year. The commissioner must implement a review of the academic
27.7 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

27.8 (f) The commissioner in the 2010-2011 school year must revise and align the state's
27.9 academic standards and high school graduation requirements in social studies to require
27.10 that students satisfactorily complete the revised social studies standards beginning in the
27.11 2013-2014 school year. The commissioner must implement a review of the academic
27.12 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

27.13 (g) School districts and charter schools must revise and align local academic
27.14 standards and high school graduation requirements in health, physical education, world
27.15 languages, and career and technical education to require students to complete the revised
27.16 standards beginning in a school year determined by the school district or charter school.
27.17 School districts and charter schools must formally establish a periodic review cycle for
27.18 the academic standards and related benchmarks in health, physical education, world
27.19 languages, and career and technical education.

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

27.21 Sec. 6. Minnesota Statutes 2008, section 120B.11, subdivision 5, is amended to read:

27.22 Subd. 5. **Report.** (a) By October 1 of each year, the school board shall use standard
27.23 statewide reporting procedures the commissioner develops and adopt a report that includes
27.24 the following:

27.25 (1) student achievement goals for meeting state academic standards;

27.26 (2) results of local assessment data, and any additional test data;

27.27 (3) the annual school district improvement plans including staff development goals
27.28 under section 122A.60;

27.29 (4) information about district and learning site progress in realizing previously
27.30 adopted improvement plans; and

27.31 (5) the amount and type of revenue attributed to each education site as defined
27.32 in section 123B.04.

27.33 (b) The school board shall publish a summary of the report in the local newspaper
27.34 with the largest circulation in the district, by mail, or by electronic means such as the
27.35 district Web site. If electronic means are used, school districts must publish notice of the

28.1 report in a periodical of general circulation in the district. School districts must make
28.2 copies of the report available to the public on request. ~~The board shall make a copy of the~~
28.3 ~~report available to the public for inspection. The board shall send a copy of the report to~~
28.4 ~~the commissioner of education by October 15 of each year.~~

28.5 (c) The title of the report shall contain the name and number of the school district and
28.6 read "Annual Report on Curriculum, Instruction, and Student Achievement." The report
28.7 must include at least the following information about advisory committee membership:

28.8 (1) the name of each committee member and the date when that member's term
28.9 expires;

28.10 (2) the method and criteria the school board uses to select committee members; and

28.11 (3) the date by which a community resident must apply to next serve on the
28.12 committee.

28.13 Sec. 7. **[120B.299] DEFINITIONS.**

28.14 Subdivision 1. **Definitions.** The definitions in this section apply to this chapter.

28.15 Subd. 2. **Growth.** "Growth" compares the difference in a student's achievement
28.16 score at two or more distinct points in time.

28.17 Subd. 3. **Value added.** "Value added" is the amount of achievement a student
28.18 demonstrates above an established baseline. The difference between the student's score
28.19 and the baseline defines value added.

28.20 Subd. 4. **Value-added growth.** "Value-added growth" is based on a student's
28.21 growth score. In a value-added growth system, the student's first test is the baseline, and
28.22 the difference between the student's first and next test scores within a defined period is the
28.23 measure of value added. Value-added growth models use student-level data to measure
28.24 what portion of a student's growth can be explained by inputs related to the educational
28.25 environment.

28.26 Subd. 5. **Adequate yearly progress.** A school or district makes "adequate yearly
28.27 progress" if, for every student subgroup under the federal 2001 No Child Left Behind
28.28 Act in the school or district, its proficiency index or other approved adjustments for
28.29 performance, based on statewide assessment scores, meets or exceeds federal expectations.
28.30 To make adequate yearly progress, the school or district also must satisfy applicable
28.31 federal requirements related to student attendance, graduation, and test participation rates.

28.32 Subd. 6. **State growth target.** (a) "State growth target" is the average year-two
28.33 assessment scores for students with similar year-one assessment scores.

29.1 (b) The state growth targets for each grade and subject are benchmarked as follows
29.2 until the assessment scale changes:

29.3 (1) beginning in the 2008-2009 school year, the state growth target for grades 3 to 8
29.4 is benchmarked to 2006-2007 and 2007-2008 school year data;

29.5 (2) beginning in the 2008-2009 school year the state growth target for grade 10 is
29.6 benchmarked to 2005-2006 and 2006-2007 school year data;

29.7 (3) for the 2008-2009 school year, the state growth target for grade 11 is
29.8 benchmarked to 2005-2006 school year data; and

29.9 (4) beginning in the 2009-2010 school year, the state growth target for grade 11 is
29.10 benchmarked to 2005-2006 and 2006-2007 school year data.

29.11 (c) Each time before the assessment scale changes, a stakeholder group that includes
29.12 assessment and evaluation directors and staff and researchers must recommend a new
29.13 state growth target that the commissioner must consider when revising standards under
29.14 section 120B.023, subdivision 2.

29.15 Subd. 7. **Low growth.** "Low growth" is an assessment score one-half standard
29.16 deviation below the state growth target.

29.17 Subd. 8. **Medium growth.** "Medium growth" is an assessment score within one-half
29.18 standard deviation above or below the state growth target.

29.19 Subd. 9. **High growth.** "High growth" is an assessment score one-half standard
29.20 deviation or more above the state growth target.

29.21 Subd. 10. **Proficiency.** "Proficiency" for purposes of reporting growth on school
29.22 performance report cards under section 120B.36, subdivision 1, means those students
29.23 who, in the previous school year, scored at or above "meets standards" on the statewide
29.24 assessments under section 120B.30. Each year, school performance report cards must
29.25 separately display: (1) the numbers and percentages of students who achieved low growth,
29.26 medium growth, and high growth and achieved proficiency in the previous school year;
29.27 and (2) the numbers and percentages of students who achieved low growth, medium
29.28 growth, and high growth and did not achieve proficiency in the previous school year.

29.29 Subd. 11. **Growth and progress toward proficiency.** The categories of low
29.30 growth, medium growth, and high growth shall be used to indicate both (1) growth and (2)
29.31 progress toward grade-level proficiency that is consistent with subdivision 10.

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

29.33 Sec. 8. Minnesota Statutes 2008, section 120B.30, is amended to read:

29.34 **120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.**

30.1 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
 30.2 with appropriate technical qualifications and experience and stakeholders, consistent with
 30.3 subdivision 1a, shall include in the comprehensive assessment system, for each grade level
 30.4 to be tested, state-constructed tests developed from and aligned with the state's required
 30.5 academic standards under section 120B.021, include multiple choice questions, and be
 30.6 administered annually to all students in grades 3 through 8 and at the high school level. A
 30.7 State-developed test high school tests aligned with the state's required academic standards
 30.8 under section 120B.021 and administered to all high school students in a subject other than
 30.9 writing, developed after the 2002-2003 school year, must include both machine-scoreable
 30.10 and constructed response multiple choice questions. The commissioner shall establish
 30.11 one or more months during which schools shall administer the tests to students each
 30.12 school year. For students enrolled in grade 8 before the 2005-2006 school year, ~~only~~
 30.13 Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students'
 30.14 basic skills testing requirements for a passing state notation. The passing scores of basic
 30.15 skills tests in reading and mathematics are the equivalent of 75 percent correct for students
 30.16 entering grade 9 ~~in 1997 and thereafter, as based on the first uniform test administration of~~
 30.17 administered in February 1998. Students who have not successfully passed a Minnesota
 30.18 basic skills test by the end of the 2011-2012 school year must pass the graduation-required
 30.19 assessments for diploma under paragraph (b).

30.20 (b) The state assessment system must be aligned to the most recent revision of
 30.21 academic standards as described in section 120B.023 in the following manner:

30.22 (1) mathematics;

30.23 (i) grades 3 through 8 beginning in the 2010-2011 school year; and

30.24 (ii) high school level beginning in the 2013-2014 school year;

30.25 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
 30.26 school year; and

30.27 (3) language arts and reading; grades 3 through 8 and high school level beginning in
 30.28 the 2012-2013 school year.

30.29 ~~(b)~~ (c) For students enrolled in grade 8 in the 2005-2006 school year and later, only
 30.30 the following options shall fulfill students' state graduation test requirements:

30.31 (1) for reading and mathematics:

30.32 (i) obtaining an achievement level equivalent to or greater than proficient as
 30.33 determined through a standard setting process on the Minnesota comprehensive
 30.34 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
 30.35 score as determined through a standard setting process on the graduation-required

31.1 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
31.2 subsequent retests;

31.3 (ii) achieving a passing score as determined through a standard setting process on the
31.4 state-identified language proficiency test in reading and the mathematics test for English
31.5 language learners or the graduation-required assessment for diploma equivalent of those
31.6 assessments for students designated as English language learners;

31.7 (iii) achieving an individual passing score on the graduation-required assessment
31.8 for diploma as determined by appropriate state guidelines for students with an individual
31.9 education plan or 504 plan;

31.10 (iv) obtaining achievement level equivalent to or greater than proficient as
31.11 determined through a standard setting process on the state-identified alternate assessment
31.12 or assessments in grade 10 for reading and grade 11 for mathematics for students with
31.13 an individual education plan; or

31.14 (v) achieving an individual passing score on the state-identified alternate assessment
31.15 or assessments as determined by appropriate state guidelines for students with an
31.16 individual education plan; and

31.17 (2) for writing:

31.18 (i) achieving a passing score on the graduation-required assessment for diploma;

31.19 (ii) achieving a passing score as determined through a standard setting process on
31.20 the state-identified language proficiency test in writing for students designated as English
31.21 language learners;

31.22 (iii) achieving an individual passing score on the graduation-required assessment
31.23 for diploma as determined by appropriate state guidelines for students with an individual
31.24 education plan or 504 plan; or

31.25 (iv) achieving an individual passing score on the state-identified alternate assessment
31.26 or assessments as determined by appropriate state guidelines for students with an
31.27 individual education plan.

31.28 (d) Students enrolled in grade 8 in any school year from the 2005-2006 school
31.29 year to the 2009-2010 school year who do not pass the mathematics graduation-required
31.30 assessment for diploma under paragraph (b) are eligible to receive a high school diploma
31.31 with a passing state notation if they:

31.32 (1) complete with a passing score or grade all state and local coursework and credits
31.33 required for graduation by the school board granting the students their diploma;

31.34 (2) participate in district-prescribed academic remediation in mathematics; and

31.35 (3) fully participate in at least two retests of the mathematics GRAD test or until
31.36 they pass the mathematics GRAD test, whichever comes first. A school, district, or

32.1 charter school must place a student's highest assessment score for each of the following
32.2 assessments on the student's high school transcript: the mathematics Minnesota
32.3 Comprehensive Assessment, reading Minnesota Comprehensive Assessment, and writing
32.4 Graduation-Required Assessment for Diploma, and when applicable, the mathematics
32.5 Graduation-Required Assessment for Diploma and reading Graduation-Required
32.6 Assessment for Diploma.

32.7 In addition, the school board granting the students their diplomas may formally
32.8 decide to include a notation of high achievement on the high school diplomas of those
32.9 graduating seniors who, according to established school board criteria, demonstrate
32.10 exemplary academic achievement during high school.

32.11 ~~(e)~~ (e) The 3rd through 8th grade and high school ~~level~~ test results shall be available
32.12 to districts for diagnostic purposes affecting student learning and district instruction and
32.13 curriculum, and for establishing educational accountability. The commissioner must
32.14 disseminate to the public the high school test results upon receiving those results.

32.15 ~~(d) State~~ (f) The 3rd through 8th grade and high school tests must be ~~constructed~~
32.16 ~~and~~ aligned with state academic standards. The commissioner shall determine the
32.17 testing process and the order of administration shall be determined by the commissioner.
32.18 The statewide results shall be aggregated at the site and district level, consistent with
32.19 subdivision 1a.

32.20 ~~(e)~~ (g) In addition to the testing and reporting requirements under this section, the
32.21 commissioner shall include the following components in the statewide public reporting
32.22 system:

32.23 (1) uniform statewide testing of all students in grades 3 through 8 and at the high
32.24 school level that provides appropriate, technically sound accommodations, or alternate
32.25 assessments, ~~or exemptions consistent with applicable federal law, only with parent or~~
32.26 ~~guardian approval, for those very few students for whom the student's individual education~~
32.27 ~~plan team under sections 125A.05 and 125A.06 determines that the general statewide test~~
32.28 ~~is inappropriate for a student, or for a limited English proficiency student under section~~
32.29 ~~124D.59, subdivision 2;~~

32.30 (2) educational indicators that can be aggregated and compared across school
32.31 districts and across time on a statewide basis, including average daily attendance, high
32.32 school graduation rates, and high school drop-out rates by age and grade level;

32.33 (3) state results on the American College Test; and

32.34 (4) state results from participation in the National Assessment of Educational
32.35 Progress so that the state can benchmark its performance against the nation and other

33.1 states, and, where possible, against other countries, and contribute to the national effort
33.2 to monitor achievement.

33.3 Subd. 1a. **Statewide and local assessments; results.** (a) For purposes
33.4 of conforming with existing federal educational accountability requirements, the
33.5 commissioner must develop reading, and mathematics, and science assessments for grades
33.6 3 through 8, state-developed high school reading and mathematics tests aligned with state
33.7 academic standards, and science assessments under clause (2) that districts and sites must
33.8 use to monitor student growth toward achieving those standards. The commissioner must
33.9 not develop statewide assessments for academic standards in social studies, health and
33.10 physical education, and the arts. The commissioner must require:

33.11 (1) annual reading and mathematics assessments in grades 3 through 8₂ and ~~at~~
33.12 ~~the high school level for the 2005-2006 school year and later~~ high school reading and
33.13 mathematics tests; and

33.14 (2) annual science assessments in one grade in the grades 3 through 5 span, the
33.15 grades 6 through ~~9~~ 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12
33.16 span ~~for the 2007-2008 school year and later,~~ and the commissioner must not require
33.17 students to achieve a passing score on high school science assessments as a condition of
33.18 receiving a high school diploma.

33.19 (b) The commissioner must ensure that all statewide tests administered to elementary
33.20 and secondary students measure students' academic knowledge and skills and not students'
33.21 values, attitudes, and beliefs.

33.22 (c) Reporting of assessment results must:

33.23 (1) provide timely, useful, and understandable information on the performance of
33.24 individual students, schools, school districts, and the state;

33.25 (2) ~~include, by no later than the 2008-2009 school year, a value-added component~~
33.26 ~~that is in addition to a measure for student achievement growth over time~~ growth indicator
33.27 of student achievement under section 120B.35, subdivision 3, paragraph (b); and

33.28 (3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine
33.29 whether students have met the state's basic skills requirements; and

33.30 (ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine
33.31 whether students have met the state's academic standards.

33.32 (d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause
33.33 (1), the commissioner must include appropriate, technically sound accommodations or
33.34 alternative assessments for the very few students with disabilities for whom statewide
33.35 assessments are inappropriate and for students with limited English proficiency.

34.1 (e) A school, school district, and charter school must administer statewide
 34.2 assessments under this section, as the assessments become available, to evaluate student
 34.3 ~~progress in achieving the~~ proficiency in the context of the state's grade level academic
 34.4 standards. If a state assessment is not available, a school, school district, and charter
 34.5 school must determine locally if a student has met the required academic standards. A
 34.6 school, school district, or charter school may use a student's performance on a statewide
 34.7 assessment as one of multiple criteria to determine grade promotion or retention. A
 34.8 school, school district, or charter school may use a high school student's performance on a
 34.9 statewide assessment as a percentage of the student's final grade in a course, or place a
 34.10 student's assessment score on the student's transcript.

34.11 Subd. 2. **Department of Education assistance.** The Department of Education
 34.12 shall contract for professional and technical services according to competitive bidding
 34.13 procedures under chapter 16C for purposes of this section.

34.14 Subd. 3. **Reporting.** The commissioner shall report test data publicly and to
 34.15 stakeholders, including the performance achievement levels developed from students'
 34.16 unweighted test scores in each tested subject and a listing of demographic factors that
 34.17 strongly correlate with student performance. The commissioner shall also report data that
 34.18 compares performance results among school sites, school districts, Minnesota and other
 34.19 states, and Minnesota and other nations. The commissioner shall disseminate to schools
 34.20 and school districts a more comprehensive report containing testing information that
 34.21 meets local needs for evaluating instruction and curriculum.

34.22 Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy
 34.23 to provide public and parental access for review of basic skills tests, Minnesota
 34.24 Comprehensive Assessments, or any other such statewide test and assessment. Upon
 34.25 receiving a written request, the commissioner must make available to parents or guardians
 34.26 a copy of their student's actual responses to the test questions ~~to be reviewed by the~~
 34.27 parent for their review.

34.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.
 34.29 Subdivision 1, paragraph (d), applies to the 2009-2010 through 2013-2014 school years
 34.30 only. Minnesota Statutes, section 120B.30, subdivision 1, paragraph (b), clause (1),
 34.31 item (ii), is not effective until July 1, 2010, and the legislature specifically authorizes
 34.32 the number, subject area, grade level, and consequence of a high school mathematics
 34.33 assessment program; if the legislature does not authorize the assessment program by July
 34.34 1, 2010, the graduation-required assessment for diploma in grade 11 for mathematics
 34.35 under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (c), remains in effect.

35.1 Sec. 9. Minnesota Statutes 2008, section 120B.31, subdivision 1, is amended to read:

35.2 Subdivision 1. **Educational accountability and public reporting.** Consistent
35.3 with the ~~process~~ direction to adopt a ~~results-oriented graduation rule~~ statewide academic
35.4 standards under section 120B.02, the department, in consultation with education and
35.5 other system stakeholders, must establish a coordinated and comprehensive system of
35.6 educational accountability and public reporting that promotes ~~higher~~ greater academic
35.7 achievement, preparation for higher academic education, preparation for the world of
35.8 work, citizenship under sections 120B.021, subdivision 1, clause (4), and 120B.024,
35.9 paragraph (a), clause (4), and the arts.

35.10 Sec. 10. Minnesota Statutes 2008, section 120B.31, subdivision 3, is amended to read:

35.11 Subd. 3. **Educational accountability.** (a) The Independent Office of Educational
35.12 Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5,
35.13 section 28, subdivision 2, is established, and shall be funded through the Board of Regents
35.14 of the University of Minnesota. The office shall advise the education committees of
35.15 the legislature and the commissioner of education, at least on a biennial basis, on the
35.16 degree to which the statewide educational accountability and reporting system includes a
35.17 comprehensive assessment framework that measures school accountability for students
35.18 achieving the goals described in the state's ~~results-oriented~~ high school graduation
35.19 rule. The office shall determine and annually report to the legislature whether and how
35.20 effectively:

35.21 (1) the statewide system of educational accountability ~~utilizes~~ uses multiple
35.22 indicators to provide valid and reliable comparative and contextual data on students,
35.23 schools, districts, and the state, and if not, recommend ways to improve the accountability
35.24 reporting system;

35.25 (2) ~~the commissioner makes statistical adjustments when reporting student data over~~
35.26 ~~time, consistent with clause (4);~~

35.27 (3) ~~the commissioner uses indicators of student achievement growth~~ a value-added
35.28 growth indicator of student achievement over time ~~and a value-added assessment model~~
35.29 ~~that~~ estimates the effects of the school and school district on student achievement ~~to~~
35.30 ~~measure~~ and measures school performance, consistent with section ~~120B.36, subdivision~~
35.31 ~~1~~ 120B.35, subdivision 3, paragraph (b);

35.32 (4) ~~the commissioner makes~~ (3) data are available on students who do not pass one
35.33 or more of the state's required GRAD tests and do not receive a diploma as a consequence,
35.34 and ~~categorizes~~ these data are categorized according to gender, race, eligibility for free
35.35 or reduced lunch, and English language proficiency; and

36.1 ~~(5) the commissioner fulfills~~ (4) the requirements under section 127A.095,
36.2 subdivision 2, are met.

36.3 (b) When the office reviews the statewide educational accountability and reporting
36.4 system, it shall also consider:

36.5 (1) the objectivity and neutrality of the state's educational accountability system; and

36.6 (2) the impact of a testing program on school curriculum and student learning.

36.7 Sec. 11. Minnesota Statutes 2008, section 120B.31, subdivision 4, is amended to read:

36.8 Subd. 4. **Statistical adjustments; student performance data.** In developing
36.9 policies and assessment processes to hold schools and districts accountable for high
36.10 levels of academic standards under section 120B.021, the commissioner shall aggregate
36.11 student data over time to report student performance and growth levels measured at the
36.12 school, school district, regional, or ~~and~~ statewide level. When collecting and reporting
36.13 the performance data, the commissioner shall: (1) acknowledge the impact of significant
36.14 demographic factors such as residential instability, the number of single parent families,
36.15 parents' level of education, and parents' income level on school outcomes; and (2)
36.16 organize and report the data so that state and local policy makers can understand the
36.17 educational implications of changes in districts' demographic profiles over time. Any
36.18 report the commissioner disseminates containing summary data on student performance
36.19 must integrate student performance and the demographic factors that strongly correlate
36.20 with that performance.

36.21 Sec. 12. Minnesota Statutes 2008, section 120B.35, is amended to read:

36.22 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND PROGRESS**
36.23 **GROWTH.**

36.24 Subdivision 1. ~~Adequate yearly progress of schools and students~~ **School and**
36.25 **student indicators of growth and achievement.** The commissioner must develop and
36.26 implement a system for measuring and reporting academic achievement and individual
36.27 student ~~progress~~ growth, consistent with the statewide educational accountability and
36.28 reporting system. The system components ~~of the system~~ must measure and separately
36.29 report the adequate yearly progress of schools and the growth of individual students:
36.30 students' current achievement in schools under subdivision 2; and individual students'
36.31 educational ~~progress~~ growth over time under subdivision 3. The system also must include
36.32 statewide measures of student academic ~~achievement~~ growth that identify schools with
36.33 high levels of ~~achievement~~ growth, and also schools with low levels of ~~achievement~~
36.34 growth that need improvement. When determining a school's effect, the data must

37.1 include both statewide measures of student achievement and, to the extent annual tests
37.2 are administered, indicators of achievement growth that take into account a student's
37.3 prior achievement. Indicators of achievement and prior achievement must be based on
37.4 highly reliable statewide or districtwide assessments. Indicators that take into account a
37.5 student's prior achievement must not be used to disregard a school's low achievement or to
37.6 exclude a school from a program to improve low achievement levels. ~~The commissioner
37.7 by January 15, 2002, must submit a plan for integrating these components to the chairs of
37.8 the legislative committees having policy and budgetary responsibilities for elementary
37.9 and secondary education.~~

37.10 Subd. 2. **Federal expectations for student academic achievement.** (a) Each school
37.11 year, a school district must determine if the student achievement levels at each school site
37.12 meet ~~state and local~~ federal expectations. If student achievement levels at a school site do
37.13 not meet ~~state and local~~ federal expectations and the site has not made adequate yearly
37.14 progress for two consecutive school years, beginning with the 2001-2002 school year,
37.15 the district must work with the school site to adopt a plan to raise student achievement
37.16 levels to meet ~~state and local~~ federal expectations. The commissioner of education shall
37.17 establish student academic achievement levels to comply with this paragraph.

37.18 (b) School sites identified as not meeting federal expectations must develop
37.19 continuous improvement plans in order to meet ~~state and local~~ federal expectations for
37.20 student academic achievement. The department, at a district's request, must assist the
37.21 district and the school site in developing a plan to improve student achievement. The plan
37.22 must include parental involvement components.

37.23 (c) The commissioner must:

37.24 (1) ~~provide assistance to~~ assist school sites and districts identified as not meeting
37.25 federal expectations; and

37.26 (2) provide technical assistance to schools that integrate student ~~progress~~
37.27 achievement measures ~~under subdivision 3 in~~ into the school continuous improvement
37.28 plan.

37.29 (d) The commissioner shall establish and maintain a continuous improvement Web
37.30 site designed to make data on every school and district available to parents, teachers,
37.31 administrators, community members, and the general public.

37.32 Subd. 3. **Student progress assessment State growth target; other state measures.**

37.33 (a) The state's educational assessment system ~~component~~ measuring individual students'
37.34 educational ~~progress must be~~ growth is based, ~~to the extent annual tests are administered,~~
37.35 on indicators of achievement growth that show an individual student's prior achievement.

38.1 Indicators of achievement and prior achievement must be based on highly reliable
38.2 statewide or districtwide assessments.

38.3 (b) The commissioner, in consultation with a stakeholder group that includes
38.4 assessment and evaluation directors and staff and researchers must identify effective
38.5 models for measuring individual student progress that enable a school district or school
38.6 site to perform gains-based analysis, including evaluating the effects of the teacher,
38.7 school, and school district on student achievement over time. At least one model must
38.8 be a "value-added" assessment model that reliably estimates those effects for classroom
38.9 settings where a single teacher teaches multiple subjects to the same group of students, for
38.10 team teaching arrangements, and for other teaching circumstances. implement a model
38.11 that uses a value-added growth indicator and includes criteria for identifying schools
38.12 and school districts that demonstrate medium and high growth under section 120B.299,
38.13 subdivisions 8 and 9, and may recommend other value-added measures under section
38.14 120B.299, subdivision 3. The model may be used to advance educators' professional
38.15 development and replicate programs that succeed in meeting students' diverse learning
38.16 needs. Data on individual teachers generated under the model are personnel data under
38.17 section 13.43. The model must allow users to:

38.18 (1) report student growth consistent with this paragraph; and
38.19 (2) for all student categories, report and compare aggregated and disaggregated state
38.20 growth data using the nine student categories identified under the federal 2001 No Child
38.21 Left Behind Act and two student gender categories of male and female, respectively,
38.22 following appropriate reporting practices to protect nonpublic student data.

38.23 The commissioner must report separate measures of student growth and proficiency,
38.24 consistent with this paragraph.

38.25 (c) If a district has an accountability plan that includes gains-based analysis or
38.26 "value-added" assessment, the commissioner shall, to the extent practicable, incorporate
38.27 those measures in determining whether the district or school site meets expectations. The
38.28 department must coordinate with the district in evaluating school sites and continuous
38.29 improvement plans, consistent with best practices. When reporting student performance
38.30 under section 120B.36, subdivision 1, the commissioner annually, beginning July 1,
38.31 2011, must report two core measures indicating the extent to which current high school
38.32 graduates are being prepared for postsecondary academic and career opportunities:

38.33 (1) a preparation measure indicating the number and percentage of high school
38.34 graduates in the most recent school year who completed course work important to
38.35 preparing them for postsecondary academic and career opportunities, consistent with

39.1 the core academic subjects required for admission to Minnesota's public colleges and
 39.2 universities as determined by the Office of Higher Education under chapter 136A; and
 39.3 (2) a rigorous coursework measure indicating the number and percentage of high
 39.4 school graduates in the most recent school year who successfully completed one or more
 39.5 college-level advanced placement, international baccalaureate, postsecondary enrollment
 39.6 options including concurrent enrollment, other rigorous courses of study under section
 39.7 120B.021, subdivision 1a, or industry certification courses or programs.

39.8 When reporting the core measures under clauses (1) and (2), the commissioner must also
 39.9 analyze and report separate categories of information using the nine student categories
 39.10 identified under the federal 2001 No Child Left Behind Act and two student gender
 39.11 categories of male and female, respectively following appropriate reporting practices to
 39.12 protect nonpublic student data.

39.13 (d) When reporting student performance under section 120B.36, subdivision 1, the
 39.14 commissioner annually, beginning July 1, 2014, must report summary data on school
 39.15 safety and students' engagement and connection at school. The summary data under this
 39.16 paragraph are separate from and must not be used for any purpose related to measuring
 39.17 or evaluating the performance of classroom teachers. The commissioner, in consultation
 39.18 with qualified experts on student engagement and connection and classroom teachers,
 39.19 must identify highly reliable variables that generate summary data under this paragraph.
 39.20 The summary data may be used at school, district, and state levels only. Any data on
 39.21 individuals received, collected, or created that are used to generate the summary data
 39.22 under this paragraph are nonpublic data under section 13.02, subdivision 9.

39.23 Subd. 4. **Improving schools.** Consistent with the requirements of this section,
 39.24 beginning June 20, 2012, the commissioner of education must ~~establish a second~~
 39.25 ~~achievement benchmark to identify improving schools. The commissioner must~~
 39.26 ~~recommend to~~ annually report to the public and the legislature by February 15, 2002,
 39.27 ~~indicators in addition to the achievement benchmark for identifying improving schools,~~
 39.28 ~~including an indicator requiring a school to demonstrate ongoing successful use of best~~
 39.29 ~~teaching practices~~ the organizational and curricular practices implemented in those schools
 39.30 that demonstrate medium and high growth compared to the state growth target.

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

40.1 (b) A district must develop a plan in conjunction with parents of students with
40.2 emotional or behavioral disorders and the local mental health authority to increase the
40.3 graduation rates of students with emotional or behavioral disorders. A district with a
40.4 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
40.5 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
40.6 to the commissioner.

40.7 EFFECTIVE DATE. Subdivision 3, paragraph (b), applies to students in the
40.8 2008-2009 school year and later. Subdivision 3, paragraph (c), applies to students in the
40.9 2010-2011 school year and later. Subdivision 3, paragraph (d), applies to data that are
40.10 collected in the 2012-2013 school year and later and reported annually beginning July 1,
40.11 2014, consistent with advice the commissioner receives from recognized and qualified
40.12 experts on student engagement and connection and classroom teachers. Subdivision 4
40.13 applies in the 2011-2012 school year and later.

40.14 Sec. 13. Minnesota Statutes 2008, section 120B.36, is amended to read:

40.15 **120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.**

40.16 Subdivision 1. **School performance report cards.** (a) The commissioner shall use
40.17 ~~objective criteria based on levels of student performance to report at least~~ student academic
40.18 performance under section 120B.35, subdivision 2, the percentages of students showing
40.19 low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b),
40.20 school safety and student engagement and connection under section 120B.35, subdivision
40.21 3, paragraph (d), rigorous coursework under section 120B.35, subdivision 3, paragraph
40.22 (c), two separate student-to-teacher ratios that clearly indicate the definition of teacher
40.23 consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios,
40.24 ~~and staff characteristics excluding salaries, with a value-added component added no later~~
40.25 ~~than the 2008-2009 school year~~ student enrollment demographics, district mobility, and
40.26 extracurricular activities. The report also must indicate a school's adequate yearly progress
40.27 status, and must not set any designations applicable to high- and low-performing schools
40.28 due solely to adequate yearly progress status.

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

40.31 (c) The commissioner must make available ~~the first~~ performance report cards by
40.32 ~~November 2003, and during~~ the beginning of each school year ~~thereafter~~.

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

41.1 (e) School performance report ~~cards~~ card data are nonpublic data under section
41.2 13.02, subdivision 9, until not later than ten days after the appeal procedure described in
41.3 paragraph (d) concludes. The department shall annually post school performance report
41.4 cards to its public Web site no later than September 1.

41.5 Subd. 2. **Adequate yearly progress and other data**. All data the department
41.6 receives, collects, or creates ~~for purposes of determining~~ to determine adequate yearly
41.7 progress ~~designations~~ status under Public Law 107-110, section 1116, set state growth
41.8 targets, and determine student growth are nonpublic data under section 13.02, subdivision
41.9 9, until not later than ten days after the appeal procedure described in subdivision 1,
41.10 paragraph (d), concludes. Districts must provide parents sufficiently detailed summary
41.11 data to permit parents to appeal under Public Law 107-110, section 1116(b)(2). The
41.12 department shall annually post federal adequate yearly progress data and state student
41.13 growth data to its public Web site no later than September 1.

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

41.15 Sec. 14. Minnesota Statutes 2008, section 122A.06, subdivision 4, is amended to read:

41.16 Subd. 4. **Comprehensive, ~~scientifically based~~ scientifically based reading**
41.17 **instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a
41.18 program or collection of instructional practices that is based on ~~reliable~~, valid, replicable
41.19 evidence showing that when these programs or practices are used, students can be
41.20 expected to achieve, at a minimum, satisfactory reading progress. The program or
41.21 collection of practices must include, at a minimum, effective, balanced instruction in all
41.22 five areas of reading: phonemic awareness, phonics, fluency, vocabulary development,
41.23 and ~~text~~ reading comprehension.

41.24 Comprehensive, scientifically based reading instruction also includes and integrates
41.25 instructional strategies for continuously assessing, evaluating, and communicating
41.26 the student's reading progress and needs in order to design and implement ongoing
41.27 interventions so that students of all ages and proficiency levels can read and comprehend
41.28 text and apply higher level thinking skills.

41.29 (b) "Fluency" is the ability of students to read text with speed, accuracy, and proper
41.30 expression.

41.31 (c) "Phonemic awareness" is the ability of students to notice, think about, and
41.32 manipulate individual sounds in spoken syllables and words.

41.33 (d) "Phonics" is the understanding that there are systematic and predictable
41.34 relationships between written letters and spoken words. Phonics instruction is a way

42.1 of teaching reading that stresses learning how letters correspond to sounds and how to
42.2 apply this knowledge in reading and spelling.

42.3 (e) "Reading comprehension" is an active process that requires intentional thinking
42.4 during which meaning is constructed through interactions between text and reader.
42.5 Comprehension skills are taught explicitly by demonstrating, explaining, modeling, and
42.6 implementing specific cognitive strategies to help beginning readers derive meaning
42.7 through intentional, problem-solving thinking processes.

42.8 (f) "Vocabulary development" is the process of teaching vocabulary both directly
42.9 and indirectly, with repetition and multiple exposures to vocabulary items. Learning in
42.10 rich contexts, incidental learning, and use of computer technology enhance the acquiring
42.11 of vocabulary.

42.12 (g) Nothing in this subdivision limits the authority of a school district to select a
42.13 school's reading program or curriculum.

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

42.15 Sec. 15. Minnesota Statutes 2008, section 122A.07, subdivision 2, is amended to read:

42.16 Subd. 2. **Eligibility; board composition.** Except for the representatives of higher
42.17 education and the public, to be eligible for appointment to the Board of Teaching a person
42.18 must be a teacher currently teaching in a Minnesota school and fully licensed for the
42.19 position held and have at least five years teaching experience in Minnesota, including the
42.20 two years immediately preceding nomination and appointment. Each nominee, other than
42.21 a public nominee, must be selected on the basis of professional experience and knowledge
42.22 of teacher education, accreditation, and licensure. The board must be composed of:

42.23 (1) six teachers who are currently teaching in a Minnesota school or who were
42.24 teaching at the time of the appointment and who do not qualify under clause (2) or (3) of
42.25 this subdivision, at least four of whom must be teaching in a public school;

42.26 (2) one higher education representative, who must be a faculty member preparing
42.27 teachers;

42.28 (3) one school administrator; and

42.29 (4) three members of the public, two of whom must be present or former members
42.30 of school boards.

42.31 Sec. 16. Minnesota Statutes 2008, section 122A.07, subdivision 3, is amended to read:

42.32 Subd. 3. **Vacant position.** With the exception of a teacher who retires from teaching
42.33 during the course of completing a board term, the position of a member who leaves

43.1 Minnesota or whose employment status changes to a category different from that from
43.2 which appointed is deemed vacant.

43.3 Sec. 17. Minnesota Statutes 2008, section 122A.09, subdivision 4, is amended to read:

43.4 Subd. 4. **License and rules.** (a) The board must adopt rules to license public school
43.5 teachers and interns subject to chapter 14.

43.6 (b) The board must adopt rules requiring a person to successfully complete a skills
43.7 examination in reading, writing, and mathematics as a requirement for initial teacher
43.8 licensure. Such rules must require college and universities offering a board-approved
43.9 teacher preparation program to provide remedial assistance to persons who did not
43.10 achieve a qualifying score on the skills examination, including those for whom English is
43.11 a second language.

43.12 (c) The board must adopt rules to approve teacher preparation programs. The board,
43.13 upon the request of a postsecondary student preparing for teacher licensure or a licensed
43.14 graduate of a teacher preparation program, shall assist in resolving a dispute between the
43.15 person and a postsecondary institution providing a teacher preparation program when the
43.16 dispute involves an institution's recommendation for licensure affecting the person or the
43.17 person's credentials. At the board's discretion, assistance may include the application
43.18 of chapter 14.

43.19 (d) The board must provide the leadership and shall adopt rules for the redesign of
43.20 teacher education programs to implement a research based, results-oriented curriculum
43.21 that focuses on the skills teachers need in order to be effective. The board shall implement
43.22 new systems of teacher preparation program evaluation to assure program effectiveness
43.23 based on proficiency of graduates in demonstrating attainment of program outcomes.

43.24 (e) The board must adopt rules requiring ~~successful completion of~~ candidates for
43.25 initial licenses to successfully complete an examination of general pedagogical knowledge
43.26 and examinations of licensure-specific teaching skills. The rules shall be effective ~~on the~~
43.27 ~~dates determined by the board but not later than~~ by September 1, 2001. The rules under
43.28 this paragraph also must require candidates for initial licenses to teach prekindergarten
43.29 or elementary students to successfully complete, as part of the examination of
43.30 licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and
43.31 ability in comprehensive, scientifically based reading instruction under section 122A.06,
43.32 subdivision 4, and their knowledge and understanding of the foundations of reading
43.33 development, the development of reading comprehension, and reading assessment and
43.34 instruction, and their ability to integrate that knowledge and understanding.

44.1 (f) The board must adopt rules requiring teacher educators to work directly with
44.2 elementary or secondary school teachers in elementary or secondary schools to obtain
44.3 periodic exposure to the elementary or secondary teaching environment.

44.4 (g) The board must grant licenses to interns and to candidates for initial licenses.

44.5 (h) The board must design and implement an assessment system which requires a
44.6 candidate for an initial license and first continuing license to demonstrate the abilities
44.7 necessary to perform selected, representative teaching tasks at appropriate levels.

44.8 (i) The board must receive recommendations from local committees as established
44.9 by the board for the renewal of teaching licenses.

44.10 (j) The board must grant life licenses to those who qualify according to requirements
44.11 established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and
44.12 214.10. The board must not establish any expiration date for application for life licenses.

44.13 (k) The board must adopt rules that require all licensed teachers who are renewing
44.14 their continuing license to include in their renewal requirements further preparation in
44.15 the areas of using positive behavior interventions and in accommodating, modifying, and
44.16 adapting curricula, materials, and strategies to appropriately meet the needs of individual
44.17 students and ensure adequate progress toward the state's graduation rule.

44.18 (l) In adopting rules to license public school teachers who provide health-related
44.19 services for disabled children, the board shall adopt rules consistent with license or
44.20 registration requirements of the commissioner of health and the health-related boards who
44.21 license personnel who perform similar services outside of the school.

44.22 (m) The board must adopt rules that require all licensed teachers who are renewing
44.23 their continuing license to include in their renewal requirements further reading
44.24 preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect
44.25 until they are approved by law. Teachers who do not provide direct instruction including, at
44.26 least, counselors, school psychologists, school nurses, school social workers, audiovisual
44.27 directors and coordinators, and recreation personnel are exempt from this section.

44.28 (n) The board must adopt rules that require all licensed teachers who are renewing
44.29 their continuing license to include in their renewal requirements further preparation
44.30 in understanding the key warning signs of early-onset mental illness in children and
44.31 adolescents.

44.32 **EFFECTIVE DATE.** This section is effective the day following final enactment
44.33 and applies to teacher candidates beginning February 1, 2012.

44.34 Sec. 18. Minnesota Statutes 2008, section 122A.09, subdivision 7, is amended to read:

45.1 Subd. 7. **Commissioner's assistance; board money.** The commissioner shall
45.2 provide all necessary materials and assistance for the transaction of the business of the
45.3 Board of Teaching and all moneys received by the Board of Teaching shall be paid into
45.4 the state treasury as provided by law. The expenses of administering sections 122A.01,
45.5 122A.05 to 122A.09, 122A.15, 122A.16, 122A.17, 122A.18, 122A.20, 122A.21, 122A.22,
45.6 122A.23, 122A.26, 122A.30, ~~122A.32~~, 122A.40, 122A.41, 122A.42, 122A.45, 122A.49,
45.7 122A.52, 122A.53, 122A.54, 122A.55, 122A.56, 122A.57, and 122A.58 which are
45.8 incurred by the Board of Teaching shall be paid for from appropriations made to the
45.9 Board of Teaching.

45.10 Sec. 19. Minnesota Statutes 2008, section 122A.18, subdivision 2a, is amended to read:

45.11 Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the
45.12 Board of Teaching to prepare persons for classroom teacher licensure must include in their
45.13 teacher preparation programs research-based best practices in reading, consistent with
45.14 section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach
45.15 reading in the candidate's content areas. These colleges and universities also must prepare
45.16 candidates for initial licenses to teach prekindergarten or elementary students for the
45.17 assessment of reading instruction portion of the examination of licensure-specific teaching
45.18 skills under section 122A.09, subdivision 4, paragraph (e).

45.19 (b) Board-approved teacher preparation programs for teachers of elementary
45.20 education must require instruction in the application of comprehensive, scientifically
45.21 based, and balanced reading instruction programs that:

45.22 (1) teach students to read using foundational knowledge, practices, and strategies
45.23 consistent with section 122A.06, subdivision 4, so that all students will achieve continuous
45.24 progress in reading; and

45.25 (2) teach specialized instruction in reading strategies, interventions, and remediations
45.26 that enable students of all ages and proficiency levels to become proficient readers.

45.27 (c) Nothing in this section limits the authority of a school district to select a school's
45.28 reading program or curriculum.

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

45.30 Sec. 20. Minnesota Statutes 2008, section 122A.18, subdivision 4, is amended to read:

45.31 Subd. 4. **Expiration and renewal.** (a) Each license the Department of Education
45.32 issues through its licensing section must bear the date of issue. Licenses must expire
45.33 and be renewed according to the respective rules the Board of Teaching, the Board
45.34 of School Administrators, or the commissioner of education adopts. Requirements for

46.1 renewing a license must include showing satisfactory evidence of successful teaching or
46.2 administrative experience for at least one school year during the period covered by the
46.3 license in grades or subjects for which the license is valid or completing such additional
46.4 preparation as the Board of Teaching prescribes. The Board of School Administrators
46.5 shall establish requirements for renewing the licenses of supervisory personnel except
46.6 athletic coaches. The State Board of Teaching shall establish requirements for renewing
46.7 the licenses of athletic coaches.

46.8 (b) Relicensure applicants who have been employed as a teacher during the
46.9 renewal period of their expiring license, as a condition of relicensure, must present to
46.10 their local continuing education and relicensure committee or other local relicensure
46.11 committee evidence of work that demonstrates professional reflection and growth in best
46.12 teaching practices. The applicant must include a reflective statement of professional
46.13 accomplishment and the applicant's own assessment of professional growth showing
46.14 evidence of:

46.15 (1) support for student learning;

46.16 (2) use of best practices techniques and their applications to student learning;

46.17 (3) collaborative work with colleagues that includes examples of collegiality such as
46.18 attested-to committee work, collaborative staff development programs, and professional
46.19 learning community work; or

46.20 (4) continual professional development that may include (i) job-embedded or other
46.21 ongoing formal professional learning or (ii) for teachers employed for only part of the
46.22 renewal period of their expiring license, other similar professional development efforts
46.23 made during the relicensure period.

46.24 The Board of Teaching must ensure that its teacher relicensing requirements also include
46.25 this paragraph.

46.26 ~~(b)~~ (c) The Board of Teaching shall offer alternative continuing relicensure options
46.27 for teachers who are accepted into and complete the National Board for Professional
46.28 Teaching Standards certification process, and offer additional continuing relicensure
46.29 options for teachers who earn National Board for Professional Teaching Standards
46.30 certification. Continuing relicensure requirements for teachers who do not maintain
46.31 National Board for Professional Teaching Standards certification are those the board
46.32 prescribes, consistent with this section.

46.33 **EFFECTIVE DATE.** This section is effective the day following final enactment
46.34 and applies to licensees seeking relicensure beginning July 1, 2012.

46.35 Sec. 21. Minnesota Statutes 2008, section 122A.40, subdivision 6, is amended to read:

47.1 Subd. 6. ~~Peer review~~ **Mentoring for probationary teachers.** A school board and
47.2 an exclusive representative of the teachers in the district must develop a probationary
47.3 teacher peer review process through joint agreement. The process may include having
47.4 trained observers serve as mentors or coaches or having teachers participate in professional
47.5 learning communities.

47.6 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
47.7 later.

47.8 Sec. 22. Minnesota Statutes 2008, section 122A.40, subdivision 8, is amended to read:

47.9 Subd. 8. ~~Peer review~~ **coaching for continuing contract teachers.** A school board
47.10 and an exclusive representative of the teachers in the district shall develop a peer review
47.11 process for continuing contract teachers through joint agreement. The process may
47.12 include having trained observers serve as peer coaches or having teachers participate in
47.13 professional learning communities.

47.14 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
47.15 later.

47.16 Sec. 23. Minnesota Statutes 2008, section 122A.41, subdivision 3, is amended to read:

47.17 Subd. 3. ~~Peer review~~ **Mentoring for probationary teachers.** A board and an
47.18 exclusive representative of the teachers in the district must develop a probationary teacher
47.19 peer review process through joint agreement. The process may include having trained
47.20 observers serve as mentors or coaches or having teachers participate in professional
47.21 learning communities.

47.22 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
47.23 later.

47.24 Sec. 24. Minnesota Statutes 2008, section 122A.41, subdivision 5, is amended to read:

47.25 Subd. 5. ~~Peer review~~ **coaching for continuing contract teachers.** A school
47.26 board and an exclusive representative of the teachers in the district must develop a peer
47.27 review process for nonprobationary teachers through joint agreement. The process may
47.28 include having trained observers serve as peer coaches or having teachers participate in
47.29 professional learning communities.

47.30 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
47.31 later.

48.1 Sec. 25. Minnesota Statutes 2008, section 122A.413, subdivision 2, is amended to read:

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

48.4 (1) assessment and evaluation tools to measure student performance and progress;

48.5 (2) performance goals and benchmarks for improvement;

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

48.7 (4) a rigorous research and practice-based professional development system, based
48.8 on national and state standards of effective teaching practice and consistent with section
48.9 122A.60, that is aligned with educational improvement, and designed to achieve ongoing
48.10 and schoolwide progress and growth in teaching quality improvement, and consistent with
48.11 clearly defined research-based standards practice;

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

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

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

48.17 (8) substantial participation by the exclusive representative of the teachers in
48.18 developing the plan.

48.19 **EFFECTIVE DATE.** This section is effective the day following final enactment
48.20 and applies to plans developed in the 2009-2010 school year and later.

48.21 Sec. 26. Minnesota Statutes 2008, section 122A.414, subdivision 2b, is amended to
48.22 read:

48.23 Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section
48.24 and sections 122A.413 and 122A.415, the department must prepare and transmit to
48.25 interested school districts, intermediate school districts, school sites, and charter schools
48.26 a standard form for applying to participate in the alternative teacher professional pay
48.27 system. The commissioner annually must establish three dates as deadlines by which
48.28 interested applicants must submit an application to the commissioner under this section.

48.29 An interested school district, intermediate school district, school site, or charter school
48.30 must submit to the commissioner a completed application executed by the district
48.31 superintendent and the exclusive bargaining representative of the teachers if the applicant
48.32 is a school district, intermediate school district, or school site, or executed by the charter
48.33 school board of directors if the applicant is a charter school. The application must include
48.34 the proposed alternative teacher professional pay system agreement under subdivision
48.35 2. The department must ~~convene a review committee that at least includes teachers~~

49.1 ~~and administrators~~ a completed application within 30 days of ~~receiving a completed~~
49.2 ~~application to~~ the most recent application deadline and recommend to the commissioner
49.3 whether to approve or disapprove the application. The commissioner must approve
49.4 applications on a first-come, first-served basis. The applicant's alternative teacher
49.5 professional pay system agreement must be legally binding on the applicant and the
49.6 collective bargaining representative before the applicant receives alternative compensation
49.7 revenue. The commissioner must approve or disapprove an application based on the
49.8 requirements under subdivisions 2 and 2a.

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

49.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
49.17 and applies to all applications submitted after that date.

49.18 Sec. 27. **[122A.4155] ALTERNATIVE COMPENSATION RURAL DISTRICT**
49.19 **APPLICATION ASSISTANCE.**

49.20 Subdivision 1. **Eligibility.** School districts located in greater Minnesota that submit
49.21 a letter of intent and begin the transitional planning year, under section 122A.414,
49.22 subdivision 1a, are eligible for alternative compensation application assistance. For the
49.23 purposes of this section, an eligible school district is any school district located in the rural
49.24 equity region under section 126C.10, subdivision 28.

49.25 Subd. 2. **Multidistrict technical assistance.** The department shall provide technical
49.26 assistance in the form of, but not limited to, networking, training, and professional
49.27 development to a rural district or groups of rural districts in developing applications
49.28 for the alternative compensation program.

49.29 Subd. 3. **Model plans.** The department shall develop and disseminate alternative
49.30 compensation model plans based on the unique needs and characteristics of rural districts.

49.31 Subd. 4. **Multidistrict consortia.** The department may promote the development
49.32 of multidistrict consortia to optimize opportunities for rural districts to participate in and
49.33 implement alternative compensation programs. A multidistrict consortium shall develop
49.34 and implement a collaborative alternative compensation plan that includes the program

50.1 components outlined in section 122A.414, subdivision 2. A multidistrict consortium
50.2 shall provide opportunities to share best practices, professional development training and
50.3 expertise, training of teacher observers, or the purchase of programmatic resources.

50.4 Sec. 28. Minnesota Statutes 2008, section 122A.60, subdivision 2, is amended to read:

50.5 Subd. 2. **Contents of the plan.** The plan must include the staff development
50.6 outcomes under subdivision 3, the means to achieve the outcomes, and procedures for
50.7 evaluating progress at each school site toward meeting education outcomes, consistent
50.8 with relicensure requirements under section 122A.18, subdivision 2, paragraph (b). The
50.9 plan also must:

50.10 (1) support stable and productive professional communities achieved through
50.11 ongoing and schoolwide progress and growth in teaching practice;

50.12 (2) emphasize coaching, professional learning communities, classroom action
50.13 research, and other job-embedded models;

50.14 (3) maintain a strong subject matter focus premised on students' learning goals;

50.15 (4) ensure specialized preparation and learning about issues related to teaching
50.16 students with special needs and limited English proficiency; and

50.17 (5) reinforce national and state standards of effective teaching practice.

50.18 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
50.19 later.

50.20 Sec. 29. Minnesota Statutes 2008, section 123A.05, is amended to read:

50.21 **123A.05 AREA LEARNING CENTER STATE-APPROVED ALTERNATIVE**
50.22 **PROGRAM ORGANIZATION.**

50.23 Subdivision 1. **Governance.** (a) A district may establish an area learning center
50.24 either by itself or in cooperation with other districts, alternative learning program, or
50.25 contract alternative in accordance with sections 124D.68, subdivision 3, paragraph (d),
50.26 and 124D.69.

50.27 (b) An area learning center is encouraged to cooperate with a service cooperative, an
50.28 intermediate school district, a local education and employment transitions partnership,
50.29 public and private secondary and postsecondary institutions, public agencies, businesses,
50.30 and foundations. Except for a district located in a city of the first class, ~~a~~ an area
50.31 learning center must be established in cooperation with other districts and must serve
50.32 the geographic area of at least two districts. An area learning center must provide
50.33 comprehensive educational services to enrolled secondary students throughout the year,

51.1 including a daytime school within a school or separate site for both high school and
51.2 middle school level students.

51.3 (c) An alternative learning program may serve the students of one or more districts,
51.4 may designate which grades are served, and may make program hours and a calendar
51.5 optional.

51.6 (d) A contract alternative is an alternative learning program operated by a private
51.7 organization that has contracted with a school district to provide educational services for
51.8 students under section 124D.68, subdivision 2.

51.9 Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center
51.10 or alternative learning program must reserve revenue in an amount equal to the sum of (1)
51.11 at least 90 percent of the district average general education revenue per pupil unit minus
51.12 an amount equal to the product of the formula allowance according to section 126C.10,
51.13 subdivision 2, times .0485, calculated without basic skills revenue and transportation
51.14 sparsity revenue, times the number of pupil units attending an area learning center or
51.15 alternative learning program under this section, plus (2) the amount of basic skills revenue
51.16 generated by pupils attending the area learning center or alternative learning program. The
51.17 amount of reserved revenue under this subdivision may only be spent on program costs
51.18 associated with the area learning center or alternative learning program.

51.19 Subd. 3. **Access to services.** A ~~center~~ state-approved alternative program shall have
51.20 access to the district's regular education programs, special education programs, technology
51.21 facilities, and staff. It may contract with individuals or postsecondary institutions. It shall
51.22 seek the involvement of community education programs, postsecondary institutions,
51.23 interagency collaboratives, culturally based organizations, mutual assistance associations,
51.24 and other community resources, businesses, and other federal, state, and local public
51.25 agencies.

51.26 Subd. 4. **Nonresident pupils.** A pupil who does not reside in the district may
51.27 attend a ~~center~~ state-approved alternative program without consent of the school board of
51.28 the district of residence.

51.29 Sec. 30. Minnesota Statutes 2008, section 123A.06, is amended to read:

51.30 **123A.06 ~~CENTER STATE-APPROVED ALTERNATIVE~~ PROGRAMS AND**
51.31 **SERVICES.**

51.32 Subdivision 1. **Program focus.** (a) The programs and services of a ~~center~~
51.33 state-approved alternative program must focus on academic and learning skills, applied
51.34 learning opportunities, trade and vocational skills, work-based learning opportunities,

52.1 work experience, youth service to the community, transition services, and English
52.2 language and literacy programs for children whose primary language is a language other
52.3 than English. Applied learning, work-based learning, and service learning may best be
52.4 developed in collaboration with a local education and transitions partnership, culturally
52.5 based organizations, mutual assistance associations, or other community resources.
52.6 In addition to offering programs, the ~~center~~ state-approved alternative program shall
52.7 coordinate the use of other available educational services, special education services,
52.8 social services, health services, and postsecondary institutions in the community and
52.9 services area.

52.10 (b) Consistent with the requirements of sections 121A.40 to 121A.56, a school
52.11 district may provide an alternative education program for a student who is within the
52.12 compulsory attendance age under section 120A.20, and who is involved in severe or
52.13 repeated disciplinary action.

52.14 Subd. 2. **People to be served.** A ~~center~~ state-approved alternative program shall
52.15 provide programs for secondary pupils and adults. A center may also provide programs
52.16 and services for elementary and secondary pupils who are not attending the ~~center~~
52.17 state-approved alternative program to assist them in being successful in school. A center
52.18 shall use research-based best practices for serving limited English proficient students and
52.19 their parents. An individual education plan team may identify a ~~center~~ state-approved
52.20 alternative program as an appropriate placement to the extent a ~~center~~ state-approved
52.21 alternative program can provide the student with the appropriate special education services
52.22 described in the student's plan. Pupils eligible to be served are those who qualify under
52.23 the graduation incentives program in section 124D.68, subdivision 2, those enrolled
52.24 under section 124D.02, subdivision 2, or those pupils who are eligible to receive special
52.25 education services under sections 125A.03 to 125A.24, and 125A.65.

52.26 Subd. 3. **Hours of instruction exemption.** Notwithstanding any law to the contrary,
52.27 the area learning center programs must be available throughout the entire year. ~~A center~~
52.28 ~~may petition the state board under Minnesota Rules, part 3500.1000, for exemption from~~
52.29 ~~other rules.~~

52.30 Subd. 4. **Granting a diploma.** Upon successful completion of the area learning
52.31 center program, a pupil is entitled to receive a high school diploma. The pupil may elect
52.32 to receive a diploma from either the district of residence or the district in which the area
52.33 learning center is located.

52.34 Sec. 31. Minnesota Statutes 2008, section 123A.08, is amended to read:

53.1 **123A.08 ~~CENTER~~ STATE-APPROVED ALTERNATIVE PROGRAM**
53.2 **FUNDING.**

53.3 Subdivision 1. **Outside sources for resources and services.** A ~~center~~
53.4 state-approved alternative program may accept:

53.5 (1) resources and services from postsecondary institutions serving ~~center~~
53.6 state-approved alternative program pupils;

53.7 (2) resources from ~~Job Training Partnership~~ Workforce Investment Act programs,
53.8 including funding for jobs skills training for various groups and the percentage reserved
53.9 for education;

53.10 (3) resources from the Department of Human Services and county welfare funding;

53.11 (4) resources from a local education and employment transitions partnership; or

53.12 (5) private resources, foundation grants, gifts, corporate contributions, and other
53.13 grants.

53.14 Subd. 2. **General education aid.** Payment of general education aid for nonresident
53.15 pupils enrolled in ~~the center~~ area learning centers and alternative learning programs must
53.16 be made according to section 127A.47, subdivision 7.

53.17 Subd. 3. **Special education revenue.** Payment of special education revenue for
53.18 nonresident pupils enrolled in the ~~center~~ state-approved alternative program must be made
53.19 according to section ~~125A.15~~ 127A.47, subdivision 7.

53.20 Sec. 32. Minnesota Statutes 2008, section 123B.03, subdivision 1, is amended to read:

53.21 Subdivision 1. **Background check required.** (a) A school hiring authority shall
53.22 request a criminal history background check from the superintendent of the Bureau of
53.23 Criminal Apprehension on all individuals who are offered employment in a school and
53.24 on all individuals, except enrolled student volunteers, who are offered the opportunity to
53.25 provide athletic coaching services or other extracurricular academic coaching services
53.26 to a school, regardless of whether any compensation is paid. In order for an individual
53.27 to be eligible for employment or to provide the services, the individual must provide an
53.28 executed criminal history consent form and a money order or check payable to either the
53.29 Bureau of Criminal Apprehension or the school hiring authority, at the discretion of the
53.30 school hiring authority, in an amount equal to the actual cost to the Bureau of Criminal
53.31 Apprehension and the school district of conducting the criminal history background
53.32 check. A school hiring authority deciding to receive payment may, at its discretion, accept
53.33 payment in the form of a negotiable instrument other than a money order or check and
53.34 shall pay the superintendent of the Bureau of Criminal Apprehension directly to conduct

54.1 the background check. The superintendent of the Bureau of Criminal Apprehension shall
54.2 conduct the background check by retrieving criminal history data maintained in the
54.3 criminal justice information system computers. A school hiring authority, at its discretion,
54.4 may decide not to request a criminal history background check on an individual who holds
54.5 an initial entrance license issued by the State Board of Teaching or the commissioner of
54.6 education within the 12 months preceding an offer of employment.

54.7 (b) A school hiring authority may use the results of a criminal background check
54.8 conducted at the request of another school hiring authority if:

54.9 (1) the results of the criminal background check are on file with the other school
54.10 hiring authority or otherwise accessible;

54.11 (2) the other school hiring authority conducted a criminal background check within
54.12 the previous 12 months;

54.13 (3) the individual who is the subject of the criminal background check executes a
54.14 written consent form giving a school hiring authority access to the results of the check; and

54.15 (4) there is no reason to believe that the individual has committed an act subsequent
54.16 to the check that would disqualify the individual for employment.

54.17 (c) A school hiring authority may, at its discretion, request a criminal history
54.18 background check from the superintendent of the Bureau of Criminal Apprehension on
54.19 any individual who seeks to enter a school or its grounds for the purpose of serving as a
54.20 school volunteer or working as an independent contractor or student employee. In order
54.21 for an individual to enter a school or its grounds under this paragraph when the school
54.22 hiring authority decides to request a criminal history background check on the individual,
54.23 the individual first must provide an executed criminal history consent form and a money
54.24 order, check, or other negotiable instrument payable to the school district in an amount
54.25 equal to the actual cost to the Bureau of Criminal Apprehension and the school district
54.26 of conducting the criminal history background check. Notwithstanding section 299C.62,
54.27 subdivision 1, the cost of the criminal history background check under this paragraph is the
54.28 responsibility of the individual: unless a school hiring authority decides to pay the costs of
54.29 conducting a background check under this paragraph. If the school hiring authority pays
54.30 the costs, the individual who is the subject of the background check need not pay for it.

54.31 (d) For all nonstate residents who are offered employment in a school, a school
54.32 hiring authority shall request a criminal history background check on such individuals
54.33 from the superintendent of the Bureau of Criminal Apprehension and from the government
54.34 agency performing the same function in the resident state or, if no government entity
54.35 performs the same function in the resident state, from the Federal Bureau of Investigation.
54.36 Such individuals must provide an executed criminal history consent form and a money

55.1 order, check, or other negotiable instrument payable to the school hiring authority in an
55.2 amount equal to the actual cost to the government agencies and the school district of
55.3 conducting the criminal history background check. Notwithstanding section 299C.62,
55.4 subdivision 1, the cost of the criminal history background check under this paragraph is
55.5 the responsibility of the individual.

55.6 (e) At the beginning of each school year or when a student enrolls, a school hiring
55.7 authority must notify parents and guardians about the school hiring authority's policy
55.8 requiring a criminal history background check on employees and other individuals who
55.9 provide services to the school, and identify those positions subject to a background check
55.10 and the extent of the hiring authority's discretion in requiring a background check. The
55.11 school hiring authority may include the notice in the student handbook, a school policy
55.12 guide, or other similar communication. Nothing in this paragraph affects a school hiring
55.13 authority's ability to request a criminal history background check on an individual under
55.14 paragraph (c).

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

55.16 Sec. 33. **[123B.045] DISTRICT-CREATED SITE-GOVERNED SCHOOLS.**

55.17 Subdivision 1. Authority. (a) A school board may approve site-governed schools
55.18 under this section by requesting site-governing school proposals. The request for
55.19 proposals must include what types of schools or education innovations the board intends
55.20 to create. A current site may submit a proposal to create a different model for the site if
55.21 60 percent or more of the teachers at the site support the proposal. A group of licensed
55.22 district professionals from one or multiple district sites may submit a proposal. The
55.23 group submitting the proposal must include parents or other community members in the
55.24 development of the proposal. A proposal may request approval for a model of a school not
55.25 included in the request for proposal of the board.

55.26 (b) The school board and the applicable bargaining unit representing district
55.27 employees must enter into memoranda of understanding specifying how applicable
55.28 sections of current contracts will enable the provisions of subdivision 2, clauses (7) and
55.29 (8), to be implemented.

55.30 (c) Within 60 days of receipt of the application, the school board shall determine
55.31 whether to approve, deny, or return the application to the applicants for further information
55.32 or development.

55.33 (d) Upon approval of the proposal, an agreement between the district and the site
55.34 council shall be developed identifying the powers and duties delegated to the site and
55.35 outlining the details of the proposal including the provisions of subdivisions 2, 3, and

56.1 5. Any powers or duties not specifically delegated to the school site in the agreement
56.2 remains with the school board.

56.3 Subd. 2. **Roles and responsibilities of site-governed schools.** (a) Site-governed
56.4 schools approved by the school board have the following autonomy and responsibilities at
56.5 the discretion of the site:

56.6 (1) to create the site-governing council of the school. The council shall include
56.7 teachers, administrators, parents, students if appropriate, community members, and other
56.8 representatives of the community as determined by the site-governing council. Teachers
56.9 may comprise a majority of the site-governing council at the option of a majority of
56.10 the teachers at the site. The number of members on the site-governing council and the
56.11 composition shall be included in the proposal approved by the school board;

56.12 (2) to determine the leadership model for the site including: selecting a principal,
56.13 operating as a teacher professional practices model with school leadership functions
56.14 performed by one or more teachers or administrators at the school or other model
56.15 determined by the site;

56.16 (3) to determine the budget for the site and the allocation and expenditure of the
56.17 revenue based on provisions of subdivision 3;

56.18 (4) to determine the learning model and organization of the school consistent with
56.19 the application approved by the school board;

56.20 (5) to select and develop its curriculum and determine formative and summative
56.21 assessment practices;

56.22 (6) to set policies for the site including student promotion, attendance, discipline,
56.23 graduation requirements which may exceed the school board standards, and other such
56.24 rules as approved by the school board consistent with the mission, goals, and learning
56.25 program of the school site;

56.26 (7) to determine the length of the school day and year and employee work rules
56.27 covered by the terms and conditions of the employment contract;

56.28 (8) to select teachers and other staff consistent with current law and collective
56.29 bargaining agreements and memoranda of understanding provided for in subdivision 1,
56.30 paragraph (b). At least 70 percent of the teachers must be selected by the site prior to final
56.31 approval of the agreement. Prior to requesting the district to employ staff not currently
56.32 employed by the district, the site must first select current district staff including those on
56.33 requested and unrequested leave as provided for in sections 122A.40 and 122A.41. The
56.34 school board shall be the legal employer of all staff at the site and all teachers and other
56.35 staff members of the applicable bargaining units. Teachers and other employees may be
56.36 required to sign an individual work agreement with the site-governing council committing

57.1 themselves to the mission and learning program of the school and the requirements of
57.2 the site-governing council; and

57.3 (9) to fulfill other provisions as agreed to by the district and site-governing council.

57.4 (b) If a self-governed school created under this section is supervised by a principal,
57.5 that principal must be licensed, consistent with section 123B.147, subdivision 2.

57.6 Subd. 3. **Revenue to self-governed school.** (a) The revenue that shall be allocated
57.7 by the site includes the general education revenue generated by the students at the site from
57.8 state, local, and private sources, referendum revenue, federal revenue from the Elementary
57.9 and Secondary Education Act, Individuals with Disabilities Education Act, Carl Perkins
57.10 Act, and other federal programs as agreed to by the school board and site council.

57.11 (b) The district may retain an administrative fee for managing the federal
57.12 programs, private revenues, and general administrative functions including school board,
57.13 superintendent, district legal counsel, finance, accountability and self-governed school
57.14 contract oversight, facilities maintenance, districtwide special education programs, and
57.15 other such services as agreed to by the site and school board. The administrative fee
57.16 shall be included in the agreement.

57.17 (c) As part of the agreement, the district may provide specific services for the site
57.18 and may specify the amount to be paid for each service and retain the revenues for that
57.19 amount. The formula or procedures for determining the amount of revenue to be allocated
57.20 to the site each year shall be consistent with this subdivision and incorporated in the site
57.21 budget annually following a timeline and process that is included in the agreement with
57.22 the school board. The site is responsible for allocating revenue for all staff at the site and
57.23 for the other provisions of the agreement with the district board.

57.24 (d) All unspent revenue shall be carried over to following years for the sole use
57.25 of the site.

57.26 Subd. 4. **Exemption from statutes and rules.** Except as outlined in this section,
57.27 site-governed schools established under this section are exempt from and subject to the
57.28 same laws and rules as are chartered schools under section 124D.10, except that the
57.29 schools shall be subject to chapters 13, 13D, and 179A, and sections 122A.40, 122A.41,
57.30 122A.50, and 122A.51.

57.31 Subd. 5. **Performance standards.** (a) The school board and the site council shall
57.32 include in the agreement performance standards and expectations that shall include at
57.33 least the following:

57.34 (1) student achievement targets on multiple indicators including either a growth
57.35 model or value-added growth model;

58.1 (2) the criteria and process to be followed if it is determined that the site failed
58.2 to comply with district oversight and accountability requirements as outlined in the
58.3 agreement; and

58.4 (3) other performance provisions as agreed to.

58.5 (b) All agreements shall be filed with the commissioner. The initial agreement shall
58.6 be for up to three years, shall be reviewed annually, and may be renewed by the district
58.7 board for additional terms of up to five years based on the performance of the school.

58.8 Subd. 6. **Board termination of self-governed school authority.** (a) The district
58.9 board may terminate the agreement for one or more of the following reasons:

58.10 (1) failure of the site to meet the provisions specified in the agreement in subdivision
58.11 5;

58.12 (2) violations of law; or

58.13 (3) other good cause shown.

58.14 (b) Site-governed schools that are terminated or not renewed for reasons other than
58.15 cause may request to convert to charter school status as provided for in section 124D.10
58.16 and, if chartered by the board, shall become the owner of all materials, supplies, and
58.17 equipment purchased during the period the school was a site-governed school.

58.18 Sec. 34. Minnesota Statutes 2008, section 123B.143, subdivision 1, is amended to read:

58.19 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary
58.20 school must employ a superintendent who shall be an ex officio nonvoting member of the
58.21 school board. The authority for selection and employment of a superintendent must be
58.22 vested in the board in all cases. An individual employed by a board as a superintendent
58.23 shall have an initial employment contract for a period of time no longer than three years
58.24 from the date of employment. Any subsequent employment contract must not exceed a
58.25 period of three years. A board, at its discretion, may or may not renew an employment
58.26 contract. A board must not, by action or inaction, extend the duration of an existing
58.27 employment contract. Beginning 365 days prior to the expiration date of an existing
58.28 employment contract, a board may negotiate and enter into a subsequent employment
58.29 contract to take effect upon the expiration of the existing contract. A subsequent contract
58.30 must be contingent upon the employee completing the terms of an existing contract. If a
58.31 contract between a board and a superintendent is terminated prior to the date specified in
58.32 the contract, the board may not enter into another superintendent contract with that same
58.33 individual that has a term that extends beyond the date specified in the terminated contract.
58.34 A board may terminate a superintendent during the term of an employment contract for any
58.35 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall

59.1 not rely upon an employment contract with a board to assert any other continuing contract
59.2 rights in the position of superintendent under section 122A.40. Notwithstanding the
59.3 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law
59.4 to the contrary, no individual shall have a right to employment as a superintendent based
59.5 on order of employment in any district. If two or more districts enter into an agreement for
59.6 the purchase or sharing of the services of a superintendent, the contracting districts have
59.7 the absolute right to select one of the individuals employed to serve as superintendent
59.8 in one of the contracting districts and no individual has a right to employment as the
59.9 superintendent to provide all or part of the services based on order of employment in a
59.10 contracting district. The superintendent of a district shall perform the following:

59.11 (1) visit and supervise the schools in the district, report and make recommendations
59.12 about their condition when advisable or on request by the board;

59.13 (2) recommend to the board employment and dismissal of teachers;

59.14 (3) superintend school grading practices and examinations for promotions;

59.15 (4) make reports required by the commissioner; and

59.16 (5) ~~by January 10, submit an annual report to the commissioner in a manner~~
59.17 ~~prescribed by the commissioner, in consultation with school districts, identifying the~~
59.18 ~~expenditures that the district requires to ensure an 80 percent student passage rate on~~
59.19 ~~the MCA-IIs taken in the eighth grade, identifying the highest student passage rate the~~
59.20 ~~district expects it will be able to attain on the MCA-IIs by grade 12, and the amount of~~
59.21 ~~expenditures that the district requires to attain the targeted student passage rate; and~~

59.22 ~~(6) perform other duties prescribed by the board.~~

59.23 **EFFECTIVE DATE.** This section is effective the day following final enactment
59.24 and applies to the 2009-2010 school year and later.

59.25 Sec. 35. Minnesota Statutes 2008, section 123B.51, is amended by adding a
59.26 subdivision to read:

59.27 Subd. 5a. **Temporary closing.** A school district that proposes to temporarily close a
59.28 schoolhouse or that intends to lease the facility to another entity for use as a schoolhouse
59.29 for three or fewer years is not subject to subdivision 5 if the school board holds a public
59.30 meeting and allows public comment on the schoolhouse's future.

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

59.32 Sec. 36. Minnesota Statutes 2008, section 124D.095, subdivision 2, is amended to read:

59.33 Subd. 2. **Definitions.** For purposes of this section, the following terms have the
59.34 meanings given them.

60.1 (a) "Online learning" is an interactive course or program that delivers instruction
60.2 from a teacher to a student by computer; is combined with other traditional delivery
60.3 methods that include frequent student assessment and may include actual teacher contact
60.4 time; and meets or exceeds state academic standards.

60.5 (b) "Online learning provider" is a school district, an intermediate school district, an
60.6 organization of two or more school districts operating under a joint powers agreement, or
60.7 a charter school located in Minnesota that provides online learning to students.

60.8 (c) "Student" is a Minnesota resident enrolled in a school under section 120A.22,
60.9 subdivision 4, in kindergarten through grade 12.

60.10 (d) "Online learning student" is a student enrolled in an online learning course or
60.11 program delivered by an online provider under paragraph (b).

60.12 (e) "Enrolling district" means the school district or charter school in which a student
60.13 is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

60.14 (f) "Supplemental online learning" means an online course taken in place of a course
60.15 period during the regular school day at a local district school.

60.16 (g) "Full-time online provider" means an enrolling school authorized by the
60.17 department to deliver comprehensive public education at any or all of the elementary,
60.18 middle, or high school levels.

60.19 (h) "Online course syllabus" is a written document that an online learning provider
60.20 transmits to the enrolling district using a format prescribed by the commissioner to
60.21 identify the state academic standards embedded in an online course, the course content
60.22 outline, required course assessments, expectations for actual teacher contact time and
60.23 other student-to-teacher communications, and the academic support available to the
60.24 online learning student.

60.25 Sec. 37. Minnesota Statutes 2008, section 124D.095, subdivision 3, is amended to read:

60.26 Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may
60.27 apply for full-time enrollment in an approved online learning program under section
60.28 124D.03, 124D.08 or 124D.10, ~~or for supplemental online learning.~~ Notwithstanding
60.29 sections 124D.03, 124D.08, and 124D.10, procedures for enrolling in supplemental online
60.30 learning ~~shall be~~ are as provided in this subdivision. A student age 17 or younger must
60.31 have the written consent of a parent or guardian to apply. No school district or charter
60.32 school may prohibit a student from applying to enroll in online learning. In order ~~that~~
60.33 ~~a student may~~ to enroll in online learning, the student and the student's parents must
60.34 submit an application to the online learning provider and identify the student's reason for
60.35 enrolling ~~in online learning.~~ The An online learning provider that accepts a student under

61.1 this section must ~~within ten days~~ notify the student and the enrolling district in writing
 61.2 within ten days if the enrolling district is not the online learning provider. The student and
 61.3 ~~family~~ the student's parent must notify the online learning provider of ~~their~~ the student's
 61.4 intent to enroll in online learning within ten days of ~~acceptance~~ being accepted, at which
 61.5 time the student and the student's parent must sign a statement of ~~assurance~~ indicating
 61.6 that they have reviewed the online course or program and understand the expectations
 61.7 of enrolling in online learning ~~enrollment~~. The online learning provider must use a form
 61.8 provided by the department to notify the enrolling district of the student's ~~enrollment~~
 61.9 application to enroll in online learning ~~in writing on a form provided by the department~~.

61.10 (b) The supplemental online learning ~~notification~~ notice to the enrolling district
 61.11 ~~upon~~ when a student enrollment in applies to the online learning program provider will
 61.12 include the courses or program, credits to be awarded, and the start date of the online
 61.13 ~~enrollment, and confirmation that the courses will meet the student's graduation plan~~
 61.14 course or program. An online learning provider must make available the supplemental
 61.15 online course syllabus to the enrolling district. Within 15 days after the online learning
 61.16 provider makes information in this paragraph available to the enrolling district, the
 61.17 enrolling district must notify the online provider whether the student, the student's parent,
 61.18 and the enrolling district agree or disagree that the course meets the enrolling district's
 61.19 graduation requirements. A student may enroll in a supplemental online learning courses
 61.20 course up to the midpoint of the enrolling district's term. The enrolling district may waive
 61.21 this requirement for special circumstances and ~~upon acceptance by~~ with the agreement
 61.22 of the online provider. An online learning course or program that meets or exceeds a
 61.23 graduation standard or the grade progression requirement of the enrolling district as
 61.24 described in the provider's online course syllabus meets the corresponding graduation
 61.25 requirements applicable to the student in the enrolling district. If the enrolling district does
 61.26 not agree that the course or program meets its graduation requirements, then:

61.27 (1) the enrolling district must make available an explanation of its decision to the
 61.28 student, the student's parent, and the online provider; and

61.29 (2) the online provider may make available a response to the enrolling district,
 61.30 showing how the course or program meets the graduation requirements of the enrolling
 61.31 district.

61.32 (c) An online learning provider must notify the commissioner that it is delivering
 61.33 online learning and report the number of online learning students it ~~is accepting~~ accepts
 61.34 and the online learning courses and programs it ~~is delivering~~ delivers.

62.1 (d) An online learning provider may limit enrollment if the provider's school board
62.2 or board of directors adopts by resolution specific standards for accepting and rejecting
62.3 students' applications.

62.4 (e) An enrolling district may reduce an online learning student's regular classroom
62.5 instructional membership in proportion to the student's membership in online learning
62.6 courses.

62.7 (f) The online provider must report or make available information on an individual
62.8 student's progress and accumulated credit to the student, the student's parent, and the
62.9 enrolling district in a manner specified by the commissioner unless the enrolling district
62.10 and the online provider agree to a different form of notice and notify the commissioner.
62.11 The enrolling district must designate a contact person to help facilitate and monitor the
62.12 student's academic progress and accumulated credits towards graduation.

62.13 Sec. 38. Minnesota Statutes 2008, section 124D.095, subdivision 4, is amended to read:

62.14 Subd. 4. **Online learning parameters.** (a) An online learning student must receive
62.15 academic credit for completing the requirements of an online learning course or program.
62.16 Secondary credits granted to an online learning student ~~must be counted~~ count toward the
62.17 graduation and credit requirements of the enrolling district. ~~An online learning provider~~
62.18 ~~must make available to the enrolling district the course syllabus, standard alignment,~~
62.19 ~~content outline, assessment requirements, and contact information for supplemental online~~
62.20 ~~courses taken by students in the enrolling district.~~ The enrolling district must apply the
62.21 same graduation requirements to all students, including online learning students, and
62.22 must continue to provide nonacademic services to online learning students. If a student
62.23 completes an online learning course or program that meets or exceeds a graduation
62.24 standard or the grade progression requirement at the enrolling district, that standard or
62.25 requirement is met. The enrolling district must use the same criteria for accepting online
62.26 learning credits or courses as it does for accepting credits or courses for transfer students
62.27 under section 124D.03, subdivision 9. The enrolling district may reduce the course
62.28 schedule of an online learning student in proportion to the number of online learning
62.29 courses the student takes from an online learning provider that is not the enrolling district.

62.30 (b) An online learning student may:

62.31 (1) enroll in supplemental online learning courses ~~during a single school year~~
62.32 equal to a maximum of 50 percent of the student's full schedule of courses per term. ~~A~~
62.33 during a single school year and the student may exceed the supplemental online learning
62.34 registration limit if the enrolling district ~~grants permission for~~ permits supplemental online

63.1 learning enrollment above the limit, or if ~~an agreement is made between~~ the enrolling
63.2 district and the online learning provider ~~for~~ agree to the instructional services;

63.3 (2) complete course work at a grade level that is different from the student's current
63.4 grade level; and

63.5 (3) enroll in additional courses with the online learning provider under a separate
63.6 agreement that includes terms for ~~payment of~~ paying any tuition or course fees.

63.7 (c) An online learning student has the same access to the computer hardware and
63.8 education software available in a school as all other students in the enrolling district. An
63.9 online learning provider must assist an online learning student whose family qualifies
63.10 for the education tax credit under section 290.0674 to acquire computer hardware and
63.11 educational software for online learning purposes.

63.12 (d) An enrolling district may offer online learning to its enrolled students. Such
63.13 online learning does not generate online learning funds under this section. An enrolling
63.14 district that offers online learning only to its enrolled students is not subject to the reporting
63.15 requirements or review criteria under subdivision 7, unless the enrolling district is a
63.16 full-time online provider. A teacher with a Minnesota license must assemble and deliver
63.17 instruction to enrolled students receiving online learning from an enrolling district. The
63.18 delivery of instruction occurs when the student interacts with the computer or the teacher
63.19 and receives ongoing assistance and assessment of learning. The instruction may include
63.20 curriculum developed by persons other than a teacher ~~with~~ holding a Minnesota license.

63.21 (e) ~~An~~ Both full-time and supplemental online learning ~~provider that is not the~~
63.22 ~~enrolling district is~~ providers are subject to the reporting requirements and review criteria
63.23 under subdivision 7. A teacher ~~with~~ holding a Minnesota license must assemble and
63.24 deliver instruction to online learning students. The delivery of instruction occurs when the
63.25 student interacts with the computer or the teacher and receives ongoing assistance and
63.26 assessment of learning. The instruction may include curriculum developed by persons
63.27 other than a teacher ~~with~~ holding a Minnesota license. Unless the commissioner grants
63.28 a waiver, a teacher providing online learning instruction must not instruct more than 40
63.29 students in any one online learning course or program.

63.30 (f) To enroll in more than 50 percent of the student's full schedule of courses per term
63.31 in online learning, the student must qualify to exceed the supplemental online learning
63.32 registration limit under paragraph (b) or apply ~~for enrollment~~ to enroll in an approved
63.33 full-time online learning program ~~following appropriate procedures in,~~ consistent with
63.34 subdivision 3, paragraph (a). Full-time online learning students may enroll in classes at a
63.35 local school ~~per~~ under a contract for instructional services between the online learning
63.36 provider and the school district.

64.1 Sec. 39. Minnesota Statutes 2008, section 124D.095, subdivision 7, is amended to read:

64.2 Subd. 7. **Department of Education.** (a) The department must review and ~~certify~~
64.3 approve online learning providers. The online learning courses and programs must be
64.4 rigorous, aligned with state academic standards, and contribute to grade progression
64.5 in a single subject. ~~Online learning providers must demonstrate to the commissioner~~
64.6 ~~that online learning courses have equivalent standards or instruction, curriculum, and~~
64.7 ~~assessment requirements as other courses offered to enrolled students. The online learning~~
64.8 ~~provider must also demonstrate expectations for actual teacher contact time or other~~
64.9 ~~student-to-teacher communication.~~ The online provider must give the commissioner
64.10 written assurance that: (1) all courses meet state academic standards; and (2) the online
64.11 learning curriculum, instruction, and assessment, expectations for actual teacher-contact
64.12 time or other student-to-teacher communication, and academic support meet nationally
64.13 recognized professional standards and are described as such in an online course syllabus
64.14 that meets the commissioner's requirements. Once an online learning provider is approved
64.15 under this paragraph, all of its online learning course offerings are eligible for payment
64.16 under this section unless a course is successfully challenged by an enrolling district or the
64.17 department under paragraph (b).

64.18 (b) An enrolling district may challenge the validity of a course offered by an online
64.19 learning provider. The department must review such challenges based on the certification
64.20 procedures under paragraph (a). The department may initiate its own review of the validity
64.21 of an online learning course offered by an online learning provider.

64.22 (c) The department may collect a fee not to exceed \$250 for certifying online
64.23 learning providers or \$50 per course for reviewing a challenge by an enrolling district.

64.24 (d) The department must develop, publish, and maintain a list of approved online
64.25 learning providers and online learning courses and programs that it has reviewed and
64.26 certified.

64.27 Sec. 40. Minnesota Statutes 2008, section 124D.095, subdivision 10, is amended to
64.28 read:

64.29 Subd. 10. **Online Learning Advisory Council.** (a) An Online Learning Advisory
64.30 Council is established ~~under section 15.059, except that.~~ The term for each council
64.31 member shall be three years. The advisory council is composed of 12 members from
64.32 throughout the state who have demonstrated experience with or interest in online learning.
64.33 The members of the council shall be appointed by the commissioner. The advisory council
64.34 shall bring to the attention of the commissioner any matters related to online learning and
64.35 provide input to the department in matters related, but not restricted, to:

- 65.1 (1) quality assurance;
- 65.2 (2) teacher qualifications;
- 65.3 (3) program approval;
- 65.4 (4) special education;
- 65.5 (5) attendance;
- 65.6 (6) program design and requirements; and
- 65.7 (7) fair and equal access to programs.
- 65.8 (b) The Online Learning Advisory Council under this subdivision expires June
- 65.9 30, ~~2008~~ 2013.

65.10 **EFFECTIVE DATE.** Paragraph (b) is effective retroactively from June 30, 2008.

65.11 Sec. 41. Minnesota Statutes 2008, section 124D.10, is amended to read:

65.12 **124D.10 CHARTER SCHOOLS.**

65.13 Subdivision 1. **Purposes.** (a) The purpose of this section is to:

- 65.14 (1) improve pupil learning and student achievement;
- 65.15 (2) increase learning opportunities for pupils;
- 65.16 (3) encourage the use of different and innovative teaching methods;
- 65.17 (4) ~~require the measurement of~~ measure learning outcomes and create different and
- 65.18 innovative forms of measuring outcomes;
- 65.19 (5) establish new forms of accountability for schools; ~~or~~ and
- 65.20 (6) create new professional opportunities for teachers, including the opportunity to
- 65.21 be responsible for the learning program at the school site.

65.22 (b) This section does not provide a means to keep open a school that otherwise would

65.23 be closed or to reestablish a school that has been closed. Applicants in these circumstances

65.24 bear the burden of proving that conversion to a charter school or establishment of a new

65.25 charter school fulfills ~~a purpose~~ the purposes specified in this subdivision, independent of

65.26 the school's closing.

65.27 An authorizer shall not approve an application submitted by a charter school

65.28 developer under subdivision 4, paragraph (a), if the application does not comply with this

65.29 subdivision. The commissioner shall not approve an affidavit submitted by an authorizer

65.30 under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

65.31 Subd. 2. **Applicability.** This section applies only to charter schools formed and

65.32 operated under this section.

65.33 ~~Subd. 2a. **Charter School Advisory Council.** (a) A Charter School Advisory~~

65.34 ~~Council is established under section 15.059 except that the term for each council member~~

66.1 ~~shall be three years. The advisory council is composed of seven members from throughout~~
66.2 ~~the state who have demonstrated experience with or interest in charter schools. The~~
66.3 ~~members of the council shall be appointed by the commissioner. The advisory council~~
66.4 ~~shall bring to the attention of the commissioner any matters related to charter schools~~
66.5 ~~that the council deems necessary and shall:~~

66.6 ~~(1) encourage school boards to make full use of charter school opportunities;~~

66.7 ~~(2) encourage the creation of innovative schools;~~

66.8 ~~(3) provide leadership and support for charter school sponsors to increase the~~
66.9 ~~innovation in and the effectiveness, accountability, and fiscal soundness of charter schools;~~

66.10 ~~(4) serve an ombudsman function in facilitating the operations of new and existing~~
66.11 ~~charter schools;~~

66.12 ~~(5) promote timely financial management training for newly elected members of~~
66.13 ~~a charter school board of directors and ongoing training for other members of a charter~~
66.14 ~~school board of directors; and~~

66.15 ~~(6) facilitate compliance with auditing and other reporting requirements. The~~
66.16 ~~advisory council shall refer all its proposals to the commissioner who shall provide time~~
66.17 ~~for reports from the council.~~

66.18 ~~(b) The Charter School Advisory Council under this subdivision expires June 30,~~
66.19 ~~2007.~~

66.20 Subd. 3. **Sponsor Authorizer.** (a) For purposes of this section, the terms defined in
66.21 this subdivision have the meanings given them.

66.22 "Application" to receive approval as an authorizer means the proposal an eligible
66.23 authorizer submits to the commissioner under paragraph (c) before that authorizer is able
66.24 to submit any affidavit to charter to a school.

66.25 "Application" under subdivision 4 means the charter school business plan a
66.26 school developer submits to an authorizer for approval to establish a charter school that
66.27 documents the school developer's mission statement, school purposes, program design,
66.28 financial plan, governance and management structure, and background and experience,
66.29 plus any other information the authorizer requests. The application also shall include a
66.30 "statement of assurances" of legal compliance prescribed by the commissioner.

66.31 "Affidavit" means a written statement the authorizer submits to the commissioner
66.32 for approval to establish a charter school under subdivision 4 attesting to its review and
66.33 approval process before chartering a school.

66.34 "Affidavit" means the form an authorizer submits to the commissioner that is a
66.35 precondition to a charter school organizing an affiliated nonprofit building corporation
66.36 under subdivision 17a.

67.1 (b) The following organizations may authorize one or more charter schools:

67.2 (1) a school board; intermediate school district school board; education district
67.3 organized under sections 123A.15 to 123A.19;

67.4 (2) a charitable organization under section 501(c)(3) of the Internal Revenue Code
67.5 of 1986, excluding a nonpublic sectarian or religious institution, any person other than a
67.6 natural person that directly or indirectly, through one or more intermediaries, controls,
67.7 is controlled by, or is under common control with the nonpublic sectarian or religious
67.8 institution, and any other charitable organization under this clause that in the federal IRS
67.9 Form 1023, Part IV, describes activities indicating a religious purpose, that:

67.10 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on
67.11 Foundations;

67.12 (ii) is registered with the attorney general's office, and;

67.13 (iii) reports an end-of-year fund balance of at least \$2,000,000; and

67.14 (iv) is incorporated in the state of Minnesota;

67.15 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or
67.16 four-year degrees and is registered with the Minnesota Office of Higher Education under
67.17 chapter 136A; community college, state university, or technical college; governed by the
67.18 Board of Trustees of the Minnesota State Colleges and Universities; or the University of
67.19 Minnesota may sponsor one or more charter schools; or

67.20 ~~(b)~~ (4) a nonprofit corporation subject to chapter 317A, described in section
67.21 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal
67.22 Revenue Code of 1986, may sponsor authorize one or more charter schools if the charter
67.23 school has operated for at least three years under a different sponsor authorizer and if the
67.24 nonprofit corporation has existed for at least 25 years.

67.25 (5) no more than three single-purpose sponsors that are charitable, nonsectarian
67.26 organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and
67.27 incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible
67.28 organizations interested in being approved as a sponsor under this paragraph must submit a
67.29 proposal to the commissioner that includes the provisions of paragraph (c) and a five-year
67.30 financial plan. Such authorizers shall consider and approve applications using the criteria
67.31 provided in subdivision 4 and shall not limit the applications it solicits, considers, or
67.32 approves to any single curriculum, learning program, or method.

67.33 (c) An eligible authorizer under this subdivision must apply to the commissioner for
67.34 approval as an authorizer before submitting any affidavit to the commissioner to charter
67.35 a school. The application for approval as a charter school authorizer must demonstrate
67.36 the applicant's ability to implement the procedures and satisfy the criteria for chartering a

68.1 school under this section. The commissioner must approve or disapprove an application
68.2 within 60 business days of the application deadline. If the commissioner disapproves
68.3 the application, the commissioner must notify the applicant of the deficiencies and the
68.4 applicant then has 20 business days to address the deficiencies to the commissioner's
68.5 satisfaction. Failing to address the deficiencies to the commissioner's satisfaction makes
68.6 an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for
68.7 approval, must consider the applicant's:

68.8 (1) capacity and infrastructure;

68.9 (2) application criteria and process;

68.10 (3) contracting process;

68.11 (4) ongoing oversight and evaluation processes; and

68.12 (5) renewal criteria and processes.

68.13 (d) The affidavit to be submitted to and evaluated by the commissioner must include
68.14 at least the following:

68.15 (1) how chartering schools is a way for the organization to carry out its mission;

68.16 (2) a description of the capacity of the organization to serve as a sponsor, including
68.17 the personnel who will perform the sponsoring duties, their qualifications, the amount of
68.18 time they will be assigned to this responsibility, and the financial resources allocated
68.19 by the organization to this responsibility;

68.20 (3) a description of the application and review process the authorizer will use to make
68.21 decisions regarding the granting of charters, which will include at least the following:

68.22 (i) how the statutory purposes defined in subdivision 1 are addressed;

68.23 (ii) the mission, goals, program model, and student performance expectations;

68.24 (iii) an evaluation plan for the school that includes criteria for evaluating educational,
68.25 organizational, and fiscal plans;

68.26 (iv) the school's governance plan;

68.27 (v) the financial management plan; and

68.28 (vi) the administration and operations plan;

68.29 (4) a description of the type of contract it will arrange with the schools it charters
68.30 that meets the provisions of subdivision 6 and defines the rights and responsibilities of the
68.31 charter school for governing its educational program, controlling its funds, and making
68.32 school management decisions;

68.33 (5) the process to be used for providing ongoing oversight of the school consistent
68.34 with the contract expectations specified in clause (4) that assures that the schools chartered
68.35 are complying with both the provisions of applicable law and rules, and with the contract;

69.1 (6) the process for making decisions regarding the renewal or termination of
69.2 the school's charter based on evidence that demonstrates the academic, organizational,
69.3 and financial competency of the school, including its success in increasing student
69.4 achievement and meeting the goals of the charter school agreement; and

69.5 (7) an assurance specifying that the organization is committed to serving as a
69.6 sponsor for the full five-year term.

69.7 A disapproved applicant under this paragraph may resubmit an application during a
69.8 future application period.

69.9 (e) The authorizer must participate in department-approved training.

69.10 (f) An authorizer that chartered a school before August 1, 2009, must apply by
69.11 June 30, 2011, to the commissioner for approval, under paragraph (c), to continue as an
69.12 authorizer under this section. For purposes of this paragraph, an authorizer that fails to
69.13 submit a timely application is ineligible to charter a school.

69.14 (g) The commissioner shall review an authorizer's performance every five years in
69.15 a manner and form determined by the commissioner and may review an authorizer's
69.16 performance more frequently at the commissioner's own initiative or at the request of a
69.17 charter school operator, charter school board member, or other interested party. The
69.18 commissioner, after completing the review, shall transmit a report with findings to the
69.19 authorizer. If, consistent with this section, the commissioner finds that an authorizer
69.20 has not fulfilled the requirements of this section, the commissioner may subject the
69.21 authorizer to corrective action, which may include terminating the contract with the
69.22 charter school board of directors of a school it chartered. The commissioner must notify
69.23 the authorizer in writing of any findings that may subject the authorizer to corrective
69.24 action and the authorizer then has 15 business days to request an informal hearing before
69.25 the commissioner takes corrective action.

69.26 (h) The commissioner may at any time take corrective action against an authorizer,
69.27 including terminating an authorizer's ability to charter a school for:

69.28 (1) failing to demonstrate the criteria under paragraph (c) under which the
69.29 commissioner approved the authorizer;

69.30 (2) violating a term of the chartering contract between the authorizer and the charter
69.31 school board of directors; or

69.32 (3) unsatisfactory performance as an approved authorizer.

69.33 **Subd. 4. Formation of school.** (a) ~~A sponsor~~ An authorizer, after receiving an
69.34 application from a school developer, may authorize charter a licensed teacher under
69.35 section 122A.18, subdivision 1, or a group of individuals that includes one or more
69.36 licensed teachers under section 122A.18, subdivision 1, to operate a ~~charter~~ school subject

70.1 to the commissioner's approval by the commissioner of the authorizer's affidavit under
 70.2 paragraph (b). A board must vote on charter school application for sponsorship no later
 70.3 than 90 days after receiving the application. The school must be organized and operated
 70.4 as a cooperative under chapter 308A or nonprofit corporation under chapter 317A and
 70.5 the provisions under the applicable chapter shall apply to the school except as provided
 70.6 in this section.

70.7 Notwithstanding sections 465.717 and 465.719, a school district, subject to this
 70.8 section and section 124D.11, may create a corporation for the purpose of ~~creating~~
 70.9 establishing a charter school.

70.10 (b) Before the operators may ~~form~~ establish and operate a school, the ~~sponsor~~
 70.11 authorizer must file an affidavit with the commissioner stating its intent to ~~authorize a~~
 70.12 charter a school. An authorizer must file a separate affidavit for each school it intends
 70.13 to charter. The affidavit must state the terms and conditions under which the ~~sponsor~~
 70.14 authorizer would ~~authorize a~~ charter a school and how the ~~sponsor~~ authorizer intends
 70.15 to oversee the fiscal and student performance of the charter school and to comply with
 70.16 the terms of the written contract between the ~~sponsor~~ authorizer and the charter school
 70.17 board of directors under subdivision 6. The commissioner must approve or disapprove
 70.18 the ~~sponsor's proposed authorization~~ authorizer's affidavit within ~~90~~ 60 business days of
 70.19 receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner
 70.20 shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20
 70.21 business days to address the deficiencies. If the authorizer does not address deficiencies to
 70.22 the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain
 70.23 commissioner approval precludes ~~a sponsor~~ an authorizer from ~~authorizing~~ chartering the
 70.24 ~~charter~~ school that ~~was~~ is the subject of ~~the~~ this affidavit.

70.25 (c) The authorizer may prevent an approved charter school from opening for
 70.26 operation if, among other grounds, the charter school violates this section or does not meet
 70.27 the ready-to-open standards that are part of the authorizer's oversight and evaluation
 70.28 process or are stipulated in the charter school contract.

70.29 (d) The operators authorized to organize and operate a school, before entering into
 70.30 a contract or other agreement for professional or other services, goods, or facilities,
 70.31 must incorporate as a cooperative under chapter 308A or as a nonprofit corporation
 70.32 under chapter 317A and must establish a board of directors composed of at least five
 70.33 members who are not related parties until a timely election for members of the ongoing
 70.34 charter school board of directors is held according to the school's articles and bylaws
 70.35 under paragraph (f). A charter school board of directors must be composed of at least
 70.36 five members who are not related parties. ~~Any~~ Staff members ~~who are~~ employed at the

71.1 school, including teachers providing instruction under a contract with a cooperative, and
71.2 all parents or legal guardians of children enrolled in the school ~~may participate in the~~
71.3 ~~election for~~ are the voters eligible to elect the members of the school's board of directors.
71.4 ~~Licensed teachers employed at the school, including teachers providing instruction under~~
71.5 ~~a contract with a cooperative, must be a majority of the members of the board of directors~~
71.6 ~~before the school completes its third year of operation, unless the commissioner waives~~
71.7 ~~the requirement for a majority of licensed teachers on the board.~~ A charter school must
71.8 notify eligible voters of the school board election dates at least 30 days before the election.
71.9 Board of director meetings must comply with chapter 13D.

71.10 ~~(d)~~ (e) Upon the request of an individual, the charter school must make available
71.11 in a timely fashion the minutes of meetings of the board of directors, and of members
71.12 and committees having any board-delegated authority; financial statements showing all
71.13 operations and transactions affecting income, surplus, and deficit during the school's last
71.14 annual accounting period; and a balance sheet summarizing assets and liabilities on the
71.15 closing date of the accounting period. A charter school also must post on its official Web
71.16 site information identifying its authorizer and indicate how to contact that authorizer and
71.17 include that same information about its authorizer in other school materials that it makes
71.18 available to the public.

71.19 (f) Every charter school board member shall attend department-approved training on
71.20 board governance, the board's role and responsibilities, employment policies and practices,
71.21 and financial management. A board member who does not begin the required training
71.22 within six months of being seated and complete the required training within 12 months of
71.23 being seated on the board is ineligible to continue to serve as a board member.

71.24 (g) The ongoing board must be elected before the school completes its third year
71.25 of operation. Board elections must be held during a time when school is in session. The
71.26 charter school board of directors shall be composed of at least five nonrelated members
71.27 and include: (i) at least one licensed teacher employed at the school or a licensed teacher
71.28 providing instruction under a contact between the charter school and a cooperative; (ii) the
71.29 parent or legal guardian of a student enrolled in the charter school; and (iii) an interested
71.30 community member who is not employed by the charter school and does not have a
71.31 child enrolled in the school. The board may be a teacher majority board composed of
71.32 teachers described in this paragraph. The chief financial officer and the chief administrator
71.33 are ex-officio nonvoting board members. Board bylaws shall outline the process and
71.34 procedures for changing the board's governance model, consistent with chapter 317A. A
71.35 board may change its governance model only:

72.1 (1) by a majority vote of the board of directors and the licensed teachers employed
72.2 by the school, including licensed teachers providing instruction under a contract between
72.3 the school and a cooperative; and

72.4 (2) with the authorizer's approval.

72.5 Any change in board governance must conform with the board structure established
72.6 under this paragraph.

72.7 (h) The granting or renewal of a charter by a sponsoring entity an authorizer must
72.8 not be conditioned upon the bargaining unit status of the employees of the school.

72.9 ~~(e) A sponsor~~ (i) The granting or renewal of a charter school by an authorizer must
72.10 not be contingent on the charter school being required to contract, lease, or purchase
72.11 services from the authorizer. Any potential contract, lease, or purchase of service from
72.12 an authorizer must be disclosed to the commissioner, accepted through an open bidding
72.13 process, and be a separate contract from the charter contract. The school must document
72.14 the open bidding process. An authorizer must not enter into a contract to provide
72.15 management and financial services for a school that it authorizes, unless the school
72.16 documents that it received at least two competitive bids.

72.17 (j) An authorizer may authorize permit the operators board of directors of a charter
72.18 school to expand the operation of the charter school to additional sites or to add additional
72.19 grades at the school beyond those described in the sponsor's application authorizer's
72.20 original affidavit as approved by the commissioner only after submitting a supplemental
72.21 application affidavit for approval to the commissioner in a form and manner prescribed by
72.22 the commissioner. The supplemental application affidavit must provide evidence show
72.23 that:

72.24 (1) the expansion of proposed by the charter school is supported by need and
72.25 projected enrollment;

72.26 (2) the charter school expansion is warranted, at a minimum, by longitudinal data
72.27 demonstrating students' improved academic performance and growth on statewide
72.28 assessments under chapter 120B;

72.29 ~~(2)~~ (3) the charter school is fiscally sound and has the financial capacity to implement
72.30 the proposed expansion; and

72.31 ~~(3)~~ (4) the sponsor supports the authorizer finds that the charter school has the
72.32 management capacity to carry out its expansion; and

72.33 ~~(4) the building of the additional site meets all health and safety requirements to~~
72.34 ~~be eligible for lease aid.~~

73.1 ~~(f) The commissioner annually must provide timely financial management training~~
73.2 ~~to newly elected members of a charter school board of directors and ongoing training to~~
73.3 ~~other members of a charter school board of directors. Training must address ways to:~~

73.4 ~~(1) proactively assess opportunities for a charter school to maximize all available~~
73.5 ~~revenue sources;~~

73.6 ~~(2) establish and maintain complete, auditable records for the charter school;~~

73.7 ~~(3) establish proper filing techniques;~~

73.8 ~~(4) document formal actions of the charter school, including meetings of the charter~~
73.9 ~~school board of directors;~~

73.10 ~~(5) properly manage and retain charter school and student records;~~

73.11 ~~(6) comply with state and federal payroll record-keeping requirements; and~~

73.12 ~~(7) address other similar factors that facilitate establishing and maintaining complete~~
73.13 ~~records on the charter school's operations.~~

73.14 (k) The commissioner shall have 30 business days to review and comment on the
73.15 supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in
73.16 the supplemental affidavit and the authorizer then has 30 business days to address, to the
73.17 commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school
73.18 may not expand grades or add sites until the commissioner has approved the supplemental
73.19 affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

73.20 Subd. 4a. **Conflict of interest.** ~~(a) A member of a charter school board of directors~~
73.21 An individual is prohibited from serving as a member of the charter school board of
73.22 ~~directors or as~~ if the individual, an immediate family member, or the individual's partner is
73.23 an owner, employee or agent of or a contractor with a for-profit or nonprofit entity with
73.24 whom the charter school contracts, directly or indirectly, for professional services, goods,
73.25 or facilities. A violation of this prohibition renders a contract voidable at the option of
73.26 the commissioner or the charter school board of directors. A member of a charter school
73.27 board of directors who violates this prohibition shall be is individually liable to the charter
73.28 school for any damage caused by the violation.

73.29 (b) No member of the board of directors, employee, officer, or agent of a charter
73.30 school shall participate in selecting, awarding, or administering a contract if a conflict
73.31 of interest exists. A conflict exists when:

73.32 (1) the board member, employee, officer, or agent;

73.33 (2) the immediate family of the board member, employee, officer, or agent;

73.34 (3) the partner of the board member, employee, officer, or agent; or

73.35 (4) an organization that employs, or is about to employ any individual in clauses
73.36 (1) to (3),

74.1 has a financial or other interest in the entity with which the charter school is contracting.

74.2 A violation of this prohibition renders the contract void.

74.3 (c) Any employee, agent, or board member of the authorizer who participates
74.4 in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or
74.5 nonrenewal process or decision is ineligible to serve on the board of directors of a school
74.6 chartered by that authorizer.

74.7 ~~(b)~~ (d) An individual may serve as a member of the board of directors if no conflict
74.8 of interest under paragraph (a) exists.

74.9 ~~(c) A member of a charter school board of directors that serves as a member of the~~
74.10 ~~board of directors or as an employee or agent of or a contractor with a nonprofit entity~~
74.11 ~~with whom the charter school contracts, directly or indirectly, for professional services,~~
74.12 ~~goods, or facilities, must disclose all potential conflicts to the commissioner.~~

74.13 ~~(d)~~ (e) The conflict of interest provisions under this subdivision do not apply to
74.14 compensation paid to a teacher employed by the charter school who also serves as a
74.15 member of the board of directors.

74.16 ~~(e)~~ (f) The conflict of interest provisions under this subdivision do not apply to a
74.17 teacher who provides services to a charter school through a cooperative formed under
74.18 chapter 308A when the teacher also serves on the charter school board of directors.

74.19 Subd. 5. **Conversion of existing schools.** A board of an independent or special
74.20 school district may convert one or more of its existing schools to charter schools under
74.21 this section if 60 percent of the full-time teachers at the school sign a petition seeking
74.22 conversion. The conversion must occur at the beginning of an academic year.

74.23 Subd. 6. **Charter contract.** The ~~sponsor's~~ authorization for a charter school must
74.24 be in the form of a written contract signed by the ~~sponsor~~ authorizer and the board of
74.25 directors of the charter school. The contract must be completed within ~~90~~ 45 business
74.26 days of the commissioner's approval of the ~~sponsor's proposed authorization.~~ authorizer's
74.27 affidavit. The authorizer shall submit to the commissioner a copy of the signed charter
74.28 contract within ten business days of its execution. The contract for a charter school must
74.29 be in writing and contain at least the following:

74.30 (1) ~~a description of a program that carries out one or more of the purposes~~
74.31 declaration of the purposes in subdivision 1 that the school intends to carry out and how
74.32 the school will report its implementation of those purposes;

74.33 (2) a description of the school program and the specific academic and nonacademic
74.34 outcomes that pupils ~~are to~~ must achieve ~~under subdivision 10;~~

74.35 (3) a statement of admission policies and procedures;

74.36 (4) a governance, management, and administration ~~of~~ plan for the school;

75.1 (5) signed agreements from charter school board members to comply with all federal
75.2 and state laws governing organizational, programmatic, and financial requirements and
75.3 procedures for program and financial audits applicable to charter schools;

75.4 (6) ~~how the school will comply with subdivisions 8, 13, 16, and 23~~ the criteria,
75.5 processes, and procedures that the authorizer will use for ongoing oversight of operational,
75.6 financial, and academic performance;

75.7 (7) ~~assumption of liability by the charter school~~ the performance evaluation that is a
75.8 prerequisite for reviewing a charter contract under subdivision 15;

75.9 (8) types and amounts of insurance liability coverage to be obtained by the charter
75.10 school;

75.11 (9) the term of the contract, which may be up to three years for an initial contract
75.12 plus an additional preoperational planning year, and up to five years for a renewed contract
75.13 if warranted by the school's academic, financial, and operational performance;

75.14 (10) ~~if~~ how the board of directors or the operators of the charter school will provide
75.15 special instruction and services for children with a disability under sections 125A.03
75.16 to 125A.24, and 125A.65, a description of the financial parameters within which the
75.17 charter school will operate to provide the special instruction and services to children
75.18 with a disability; and

75.19 (11) the process and criteria the ~~sponsor~~ authorizer intends to use to monitor
75.20 and evaluate the fiscal and student performance of the charter school, consistent with
75.21 subdivision 15; and

75.22 (12) the plan for an orderly closing of the school under chapter 308A or 317A, if the
75.23 closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract,
75.24 and that includes establishing the responsibilities of the school board of directors and the
75.25 authorizer and notifying the commissioner, authorizer, school district in which the charter
75.26 school is located, and parents of enrolled students about the closure, the transfer of student
75.27 records to students' resident districts, and procedures for closing financial operations.

75.28 Subd. 6a. **Audit report.** (a) The charter school must submit an audit report to the
75.29 commissioner and its authorizer by December 31 each year.

75.30 (b) The charter school, with the assistance of the auditor conducting the audit, must
75.31 include with the report a copy of all charter school agreements for corporate management
75.32 services. If the entity that provides the professional services to the charter school is
75.33 exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity
75.34 must file with the commissioner by February 15 a copy of the annual return required under
75.35 section 6033 of the Internal Revenue Code of 1986.

76.1 (c) If the commissioner receives ~~as part of the~~ an audit report ~~a management letter~~
76.2 indicating that a material weakness exists in the financial reporting systems of a charter
76.3 school, the charter school must submit a written report to the commissioner explaining
76.4 how the material weakness will be resolved.

76.5 ~~Upon the request of an individual, the charter school must make available in a timely~~
76.6 ~~fashion the minutes of meetings of members, the board of directors, and committees~~
76.7 ~~having any of the authority of the board of directors, and statements showing the financial~~
76.8 ~~result of all operations and transactions affecting income and surplus during the school's~~
76.9 ~~last annual accounting period and a balance sheet containing a summary of its assets and~~
76.10 ~~liabilities as of the closing date of the accounting period.~~

76.11 Subd. 7. **Public status; exemption from statutes and rules.** A charter school is a
76.12 public school and is part of the state's system of public education. ~~Except as provided in~~
76.13 ~~this section, a charter school is exempt from all statutes and rules applicable to a school, a~~
76.14 ~~board, or a district, although it may elect to comply with one or more provisions of statutes~~
76.15 ~~or rules.~~ A charter school is exempt from all statutes and rules applicable to a school,
76.16 school board, or school district unless a statute or rule is made specifically applicable to a
76.17 charter school or is included in this section.

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

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

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

76.25 ~~(e)~~ (d) A charter school must be nonsectarian in its programs, admission policies,
76.26 employment practices, and all other operations. A sponsor may not authorize a charter
76.27 school or program that is affiliated with a nonpublic sectarian school or a religious
76.28 institution. A charter school student must be released for religious instruction, consistent
76.29 with section 120A.22, subdivision 12, clause (3).

76.30 ~~(d)~~ (e) Charter schools must not be used as a method of providing education or
76.31 generating revenue for students who are being home-schooled.

76.32 ~~(e)~~ (f) The primary focus of a charter school must be to provide a comprehensive
76.33 program of instruction for at least one grade or age group from five through 18 years
76.34 of age. Instruction may be provided to people younger than five years and older than
76.35 18 years of age.

76.36 ~~(f)~~ (g) A charter school may not charge tuition.

77.1 ~~(g)~~ (h) A charter school is subject to and must comply with chapter 363A and
 77.2 section 121A.04.

77.3 ~~(h)~~ (i) A charter school is subject to and must comply with the Pupil Fair Dismissal
 77.4 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections
 77.5 123B.34 to 123B.39.

77.6 ~~(i)~~ (j) A charter school is subject to the same financial audits, audit procedures, and
 77.7 audit requirements as a district. Audits must be conducted in compliance with generally
 77.8 accepted governmental auditing standards, the Federal Single Audit Act, if applicable,
 77.9 and section 6.65. A charter school is subject to and must comply with sections 15.054;
 77.10 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; ~~123B.52, subdivision 5;~~
 77.11 ~~471.38; 471.391; 471.392; and 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12,~~
 77.12 ~~13, and 15; 471.881; and 471.89.~~ The audit must comply with the requirements of sections
 77.13 123B.75 to 123B.83, except to the extent deviations are necessary because of the program
 77.14 at the school. Deviations must be approved by the commissioner and authorizer. The
 77.15 Department of Education, state auditor, ~~or~~ legislative auditor or authorizer may conduct
 77.16 financial, program, or compliance audits. A charter school determined to be in statutory
 77.17 operating debt under sections 123B.81 to 123B.83 must submit a plan under section
 77.18 123B.81, subdivision 4.

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

77.20 ~~(k)~~ (l) A charter school must comply with ~~sections 13.32~~ chapters 13 and 13D; and
 77.21 sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

77.22 ~~(l)~~ (m) A charter school is subject to the Pledge of Allegiance requirement under
 77.23 section 121A.11, subdivision 3.

77.24 (n) A charter school offering online courses or programs must comply with section
 77.25 124D.095.

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

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

77.30 Subd. 8a. Aid reduction. The commissioner may reduce a charter school's state aid
 77.31 under section 127A.42 or 127A.43 if the charter school board fails to correct a violation
 77.32 under this section.

77.33 Subd. 8b. Aid reduction for violations. The commissioner may reduce a charter
 77.34 school's state aid by an amount not to exceed 60 percent of the charter school's basic
 77.35 revenue for the period of time that a violation of law occurs.

78.1 Subd. 9. **Admission requirements.** A charter school may limit admission to:

78.2 (1) pupils within an age group or grade level;

78.3 (2) ~~people~~ pupils who are eligible to participate in the graduation incentives program
78.4 under section 124D.68; or

78.5 (3) residents of a specific geographic area ~~where the percentage of the population~~
78.6 ~~of non-Caucasian people of that area is greater than the percentage of the non-Caucasian~~
78.7 ~~population in the congressional district in which the geographic area is located, and as~~
78.8 ~~long as the school reflects the racial and ethnic diversity of the specific area~~ in which the
78.9 school is located when the majority of students served by the school are members of
78.10 underserved populations in which the school is located when the majority of students
78.11 served by the school are members of underserved populations.

78.12 A charter school shall enroll an eligible pupil who submits a timely application,
78.13 unless the number of applications exceeds the capacity of a program, class, grade level,
78.14 or building. In this case, pupils must be accepted by lot. ~~If a charter school is the only~~
78.15 ~~school located in a town serving pupils within a particular grade level, then pupils that~~
78.16 ~~are residents of the town must be given preference for enrollment before accepting pupils~~
78.17 ~~by lot. If a pupil lives within two miles of a charter school and the next closest public~~
78.18 ~~school is more than five miles away, the charter school must give those pupils preference~~
78.19 ~~for enrollment before accepting other pupils by lot.~~ The charter school must develop and
78.20 publish a lottery policy and process that it must use when accepting pupils by lot.

78.21 A charter school shall give preference for enrollment to a sibling of an enrolled pupil
78.22 and to a foster child of that pupil's parents and may give preference for enrolling children
78.23 of the school's teachers before accepting other pupils by lot.

78.24 A charter school may not limit admission to pupils on the basis of intellectual ability,
78.25 measures of achievement or aptitude, or athletic ability and may not establish any criteria
78.26 or requirements for admission that are inconsistent with this subdivision.

78.27 The charter school shall not distribute any services or goods of value to students,
78.28 parents or guardians as an inducement, term, or condition of enrolling a student in a
78.29 charter school.

78.30 Subd. 10. **Pupil performance.** A charter school must design its programs to at
78.31 least meet the outcomes adopted by the commissioner for public school students. In the
78.32 absence of the commissioner's requirements, the school must meet the outcomes contained
78.33 in the contract with the ~~sponsor~~ authorizer. The achievement levels of the outcomes
78.34 contained in the contract may exceed the achievement levels of any outcomes adopted by
78.35 the commissioner for public school students.

79.1 Subd. 11. **Employment and other operating matters.** (a) A charter school must
 79.2 employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1,
 79.3 who hold valid licenses to perform the particular service for which they are employed in
 79.4 the school. The charter school's state aid may be reduced under section ~~127A.42~~ 127A.43
 79.5 if the school employs a teacher who is not appropriately licensed or approved by the
 79.6 board of teaching. The school may employ necessary employees who are not required to
 79.7 hold teaching licenses to perform duties other than teaching and may contract for other
 79.8 services. The school may discharge teachers and nonlicensed employees. The charter
 79.9 school board is subject to section 181.932. When offering employment to a prospective
 79.10 employee, a charter school must give that employee a written description of the terms and
 79.11 conditions of employment and the school's personnel policies.

79.12 (b) A person, without holding a valid administrator's license, may perform
 79.13 administrative, supervisory, or instructional leadership duties. The board of directors shall
 79.14 establish qualifications for persons that hold administrative, supervisory, or instructional
 79.15 leadership roles. The qualifications shall include at least the following areas: instruction
 79.16 and assessment; human resource and personnel management; financial management;
 79.17 legal and compliance management; effective communication; and board, authorizer, and
 79.18 community relationships. The board of directors shall use those qualifications as the basis
 79.19 for job descriptions, hiring, and performance evaluations of those who hold administrative,
 79.20 supervisory, or instructional leadership roles. The board of directors and an individual
 79.21 who does not hold a valid administrative license and who serves in an administrative,
 79.22 supervisory, or instructional leadership position shall develop a professional development
 79.23 plan. Documentation of the implementation of the professional development plan of these
 79.24 persons shall be included in the school's annual report.

79.25 (c) The board of directors also shall decide matters related to the operation of the
 79.26 school, including budgeting, curriculum and operating procedures.

79.27 Subd. 12. **Pupils with a disability.** A charter school must comply with sections
 79.28 125A.02, 125A.03 to 125A.24, and 125A.65 and rules relating to the education of pupils
 79.29 with a disability as though it were a district.

79.30 Subd. 13. **Length of school year.** A charter school must provide instruction
 79.31 each year for at least the number of days required by section 120A.41. It may provide
 79.32 instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

79.33 Subd. 14. **Annual public reports.** A charter school must publish an annual report at
 79.34 least annually to its sponsor and the commissioner the information required by the sponsor
 79.35 or the commissioner approved by the board of directors. The annual report must at least

80.1 include information on school enrollment, student attrition, governance and management,
 80.2 staffing, finances, academic performance, operational performance, innovative practices
 80.3 and implementation, and future plans. A charter school must distribute the annual report
 80.4 by publication, mail, or electronic means to the commissioner, sponsor, school employees,
 80.5 and parents and legal guardians of students enrolled in the charter school and must also
 80.6 post the report on the charter school's official Web site. The reports are public data under
 80.7 chapter 13.

80.8 Subd. 15. **Review and comment.** ~~(a) The department must review and comment on~~
 80.9 ~~the evaluation, by the sponsor, of the performance of a charter school before the charter~~
 80.10 ~~school's contract is renewed for another contract term. The sponsor must submit to the~~
 80.11 ~~commissioner timely information for the review and comment~~ The authorizer shall
 80.12 provide a formal written evaluation of the school's performance before the authorizer
 80.13 renews the charter contract. The department must review and comment on the authorizer's
 80.14 evaluation process at the time the sponsor submits its application for approval and each
 80.15 time the authorizer undergoes its five-year review under subdivision 3, paragraph (e).

80.16 (b) A sponsor shall monitor and evaluate the fiscal, operational, and student
 80.17 performance of the school, and may for this purpose annually assess a charter school: ~~(1)~~
 80.18 ~~in its first, second, or third year of operation up to \$30 per student up to a maximum of~~
 80.19 ~~\$10,000; and (2) in its fourth or a subsequent year of operation up to \$10 per student up to~~
 80.20 ~~a maximum of \$3,500~~ a fee according to paragraph (c). The agreed upon fee structure
 80.21 must be stated in the charter school contract.

80.22 (c) The fee that each charter school pays to an authorizer each year is the greater of:
 80.23 (1) the basic formula allowance for that year; or
 80.24 (2) the lesser of:
 80.25 (i) the maximum fee factor times the basic formula allowance for that year; or
 80.26 (ii) the fee factor times the basic formula allowance for that year times the charter
 80.27 school's adjusted marginal cost pupil units for that year. The fee factor equals .005 in fiscal
 80.28 year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013
 80.29 and later. The maximum fee factor equals 1.5 in fiscal year 2010, 2.0 in fiscal year 2011,
 80.30 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.

80.31 (d) The department and any charter school it charters must not assess or pay a fee
 80.32 under paragraphs (b) and (c).

80.33 (e) For the preoperational planning period, the authorizer may assess a charter school
 80.34 a fee equal to the basic formula allowance.

80.35 (f) By September 30 of each year, an authorizer shall submit to the commissioner
 80.36 a statement of expenditures related to chartering activities during the previous school

81.1 year ending June 30. A copy of the statement shall be given to all schools chartered by
 81.2 the authorizer.

81.3 Subd. 16. **Transportation.** (a) A charter school after its first fiscal year of operation
 81.4 by March 1 of each fiscal year and a charter school by July 1 of its first fiscal year of
 81.5 operation must notify the district in which the school is located and the Department of
 81.6 Education if it will provide its own transportation or use the transportation services of the
 81.7 district in which it is located for the fiscal year.

81.8 (b) If a charter school elects to provide transportation for pupils, the transportation
 81.9 must be provided by the charter school within the district in which the charter school is
 81.10 located. The state must pay transportation aid to the charter school according to section
 81.11 124D.11, subdivision 2.

81.12 For pupils who reside outside the district in which the charter school is located, the
 81.13 charter school is not required to provide or pay for transportation between the pupil's
 81.14 residence and the border of the district in which the charter school is located. A parent
 81.15 may be reimbursed by the charter school for costs of transportation from the pupil's
 81.16 residence to the border of the district in which the charter school is located if the pupil is
 81.17 from a family whose income is at or below the poverty level, as determined by the federal
 81.18 government. The reimbursement may not exceed the pupil's actual cost of transportation
 81.19 or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for
 81.20 more than 250 miles per week.

81.21 At the time a pupil enrolls in a charter school, the charter school must provide the
 81.22 parent or guardian with information regarding the transportation.

81.23 (c) If a charter school does not elect to provide transportation, transportation for
 81.24 pupils enrolled at the school must be provided by the district in which the school is
 81.25 located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a
 81.26 pupil residing in the same district in which the charter school is located. Transportation
 81.27 may be provided by the district in which the school is located, according to sections
 81.28 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different
 81.29 district. If the district provides the transportation, the scheduling of routes, manner and
 81.30 method of transportation, control and discipline of the pupils, and any other matter relating
 81.31 to the transportation of pupils under this paragraph shall be within the sole discretion,
 81.32 control, and management of the district.

81.33 Subd. 17. **Leased space.** A charter school may lease space from a an independent or
 81.34 special school board eligible to be a sponsor or an authorizer, other public or organization,
 81.35 private, nonprofit nonsectarian organization, private property owner, or a sectarian
 81.36 organization if the leased space is constructed as a school facility. The department

82.1 ~~must review and approve or disapprove leases in a timely manner. If a charter school~~
82.2 ~~is unable to lease appropriate space from an eligible board or other public or private~~
82.3 ~~nonprofit nonsectarian organization, the school may lease space from another nonsectarian~~
82.4 ~~organization if the Department of Education, in consultation with the Department of~~
82.5 ~~Administration, approves the lease. If the school is unable to lease appropriate space from~~
82.6 ~~public or private nonsectarian organizations, the school may lease space from a sectarian~~
82.7 ~~organization if the leased space is constructed as a school facility and the Department of~~
82.8 ~~Education, in consultation with the Department of Administration, approves the lease.~~

82.9 Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school
82.10 may organize an affiliated nonprofit building corporation (i) to renovate or purchase an
82.11 existing facility to serve as a school or (ii) to construct a new school facility, an authorizer
82.12 must submit an affidavit to the commissioner for approval in the form and manner the
82.13 commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

82.14 (b) An affiliated nonprofit building corporation under this subdivision must:

82.15 (1) be incorporated under section 317A and comply with applicable Internal
82.16 Revenue Service regulations;

82.17 (2) submit to the commissioner each fiscal year a list of current board members
82.18 and a copy of its annual audit; and

82.19 (3) comply with government data practices law under chapter 13.

82.20 An affiliated nonprofit building corporation must not serve as the leasing agent for
82.21 property or facilities it does not own. A charter school that leases a facility from an
82.22 affiliated nonprofit building corporation that does not own the leased facility is ineligible
82.23 to receive charter school lease aid. The state is immune from liability resulting from a
82.24 contract between a charter school and an affiliated nonprofit building corporation.

82.25 (c) A charter school may organize an affiliated nonprofit building corporation to
82.26 renovate or purchase an existing facility to serve as a school if the charter school:

82.27 (1) has been operating for at least five consecutive school years and the school's
82.28 charter has been renewed for a five-year term;

82.29 (2) has had a net positive unreserved general fund balance as of June 30 in the
82.30 preceding five fiscal years;

82.31 (3) has a long-range strategic and financial plan;

82.32 (4) completes a feasibility study of available buildings; and

82.33 (5) documents sustainable enrollment projections and the need to use an affiliated
82.34 building corporation to renovate or purchase an existing facility to serve as a school.

82.35 (d) A charter school may organize an affiliated nonprofit building corporation to
82.36 construct a new school facility if the charter school:

- 83.1 (1) demonstrates the lack of facilities available to serve as a school;
83.2 (2) has been operating for at least eight consecutive school years;
83.3 (3) has had a net positive unreserved general fund balance as of June 30 in the
83.4 preceding eight fiscal years;
83.5 (4) completes a feasibility study of facility options;
83.6 (5) has a long-range strategic and financial plan that includes sustainable enrollment
83.7 projections and demonstrates the need for constructing a new school facility; and
83.8 (6) a positive review and comment from the commissioner under section 123B.71.

83.9 ~~Subd. 18. **Authority to raise initial working capital.** A sponsor may authorize~~
83.10 ~~a charter school before the applicant has secured its space, equipment, facilities, and~~
83.11 ~~personnel if the applicant indicates the authority is necessary for it to raise working~~
83.12 ~~capital. A sponsor may not authorize a school before the commissioner has approved the~~
83.13 ~~authorization.~~

83.14 Subd. 19. **Disseminate information.** (a) ~~The sponsor authorizer, the operators, and~~
83.15 ~~the Department of Education department~~ must disseminate information to the public
83.16 on how to form and operate a charter school ~~and~~ Charter schools must disseminate
83.17 information about how to utilize use the offerings of a charter school. Particular Targeted
83.18 groups to be targeted include low-income families and communities, and students of
83.19 color, and students who are at risk of academic failure.

83.20 (b) Authorizers, operators, and the department also may disseminate information
83.21 about the successful best practices in teaching and learning demonstrated by charter
83.22 schools.

83.23 Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district
83.24 makes a written request for an extended leave of absence to teach at a charter school,
83.25 the district must grant the leave. The district must grant a leave not to exceed a total of
83.26 five years. Any request to extend the leave shall be granted only at the discretion of the
83.27 school board. The district may require that the request for a leave or extension of leave
83.28 be made ~~up to 90 days before the teacher would otherwise have to report for duty before~~
83.29 February 1 in the school year preceding the school year in which the teacher intends
83.30 to leave, or February 1 of the calendar year in which the teacher's leave is scheduled
83.31 to terminate. Except as otherwise provided in this subdivision and except for section
83.32 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not
83.33 limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

83.34 During a leave, the teacher may continue to aggregate benefits and credits in the
83.35 Teachers' Retirement Association account ~~by paying both the employer and employee~~

84.1 ~~contributions based upon the annual salary of the teacher for the last full pay period before~~
 84.2 ~~the leave began. The retirement association may impose reasonable requirements to~~
 84.3 ~~efficiently administer this subdivision~~ under chapters 354 and 354A, consistent with
 84.4 subdivision 22.

84.5 Subd. 21. **Collective bargaining.** Employees of the board of directors of a charter
 84.6 school may, if otherwise eligible, organize under chapter 179A and comply with its
 84.7 provisions. The board of directors of a charter school is a public employer, for the
 84.8 purposes of chapter 179A, upon formation of one or more bargaining units at the school.
 84.9 Bargaining units at the school must be separate from any other units within ~~the sponsoring~~
 84.10 an authorizing district, except that bargaining units may remain part of the appropriate
 84.11 unit within ~~the sponsoring~~ an authorizing district, if the employees of the school, the
 84.12 board of directors of the school, the exclusive representative of the appropriate unit in the
 84.13 ~~sponsoring~~ authorizing district, and the board of the ~~sponsoring~~ authorizing district agree
 84.14 to include the employees in the appropriate unit of the ~~sponsoring~~ authorizing district.

84.15 Subd. 22. **Teacher and other employee retirement.** (a) Teachers in a charter
 84.16 school must be public school teachers for the purposes of chapters 354 and 354a.

84.17 (b) Except for teachers under paragraph (a), employees in a charter school must be
 84.18 public employees for the purposes of chapter 353.

84.19 Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a)
 84.20 The duration of the contract with a ~~sponsor~~ authorizer must be for the term contained in
 84.21 the contract according to subdivision 6. The ~~sponsor~~ authorizer may or may not renew a
 84.22 contract at the end of the term for any ground listed in paragraph (b). A ~~sponsor~~ authorizer
 84.23 may unilaterally terminate a contract during the term of the contract for any ground
 84.24 listed in paragraph (b). At least 60 days before not renewing or terminating a contract,
 84.25 the ~~sponsor~~ authorizer shall notify the board of directors of the charter school of the
 84.26 proposed action in writing. The notice shall state the grounds for the proposed action in
 84.27 reasonable detail and that the charter school's board of directors may request in writing an
 84.28 informal hearing before the ~~sponsor~~ authorizer within ~~14~~ 15 business days of receiving
 84.29 notice of nonrenewal or termination of the contract. Failure by the board of directors to
 84.30 make a written request for a hearing within the ~~14-day~~ 15-business-day period shall be
 84.31 treated as acquiescence to the proposed action. Upon receiving a timely written request
 84.32 for a hearing, the ~~sponsor~~ authorizer shall give ~~reasonable~~ ten business days' notice to
 84.33 the charter school's board of directors of the hearing date. The ~~sponsor~~ authorizer shall
 84.34 conduct an informal hearing before taking final action. The ~~sponsor~~ authorizer shall take
 84.35 final action to renew or not renew a contract ~~by the last day of classes in the school year.~~

85.1 ~~If the sponsor is a local board, the school's board of directors may appeal the sponsor's~~
85.2 ~~decision to the commissioner no later than 20 business days before the proposed date for~~
85.3 ~~terminating the contract or the end date of the contract.~~

85.4 (b) A contract may be terminated or not renewed upon any of the following grounds:

85.5 (1) failure to meet the requirements for pupil performance contained in the contract;

85.6 (2) failure to meet generally accepted standards of fiscal management;

85.7 (3) violations of law; or

85.8 (4) other good cause shown.

85.9 If a contract is terminated or not renewed under this paragraph, the school must be
85.10 dissolved according to the applicable provisions of chapter 308A or 317A, ~~except when~~
85.11 ~~the commissioner approves the decision of a different eligible sponsor to authorize the~~
85.12 ~~charter school.~~

85.13 (c) ~~If at the end of a contract term, either the sponsor or and the charter school board~~
85.14 ~~of directors wants mutually agree to voluntarily terminate or not renew the contract, a~~
85.15 ~~change in sponsors is allowed if the commissioner approves the decision of transfer to a~~
85.16 ~~different eligible sponsor authorizer to authorize the charter school. The party intending~~
85.17 ~~to terminate the contract must notify the other party and the commissioner of its intent~~
85.18 ~~at least 90 days before the date on which the contract ends Both parties must jointly~~
85.19 ~~submit their intent in writing to the commissioner to mutually terminate the contract. The~~
85.20 ~~sponsor that is a party to the existing contract at least must inform the approved different~~
85.21 ~~eligible sponsor about the fiscal and operational status and student performance of the~~
85.22 ~~school. Before the commissioner determines whether to approve a transfer of authorizer,~~
85.23 ~~the commissioner first must determine whether the charter school and prospective new~~
85.24 ~~authorizer can identify and effectively resolve those circumstances causing the previous~~
85.25 ~~authorizer and the charter school to mutually agree to terminate the contract. If no~~
85.26 ~~different eligible transfer of sponsor is approved, the school must be dissolved according~~
85.27 ~~to applicable law and the terms of the contract.~~

85.28 (d) The commissioner, after providing reasonable notice to the board of directors of
85.29 a charter school and the existing ~~sponsor authorizer~~, and after providing an opportunity for
85.30 a public hearing, may terminate the existing ~~sponsorial relationship contract between the~~
85.31 ~~authorizer and the charter school board~~ if the charter school has a history of:

85.32 (1) failure to meet pupil performance requirements contained in the contract;

85.33 (2) financial mismanagement or failure to meet generally accepted standards of
85.34 fiscal management; or

85.35 ~~(2)~~ (3) repeated or major violations of the law.

86.1 (e) If the commissioner terminates a charter school contract under subdivision 3,
86.2 paragraph (g), the commissioner shall provide the charter school with information about
86.3 other eligible authorizers.

86.4 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from
86.5 entering a lease of real property with a related party ~~as defined in subdivision 26,~~ unless
86.6 the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter
86.7 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

86.8 (b) For purposes of this section and section 124D.11:

86.9 (1) "related party" means an affiliate or immediate relative of the other party in
86.10 question, an affiliate of an immediate relative, or an immediate relative of an affiliate;

86.11 (2) "affiliate" means a person that directly or indirectly, through one or more
86.12 intermediaries, controls, is controlled by, or is under common control with another person;

86.13 (3) "immediate family" means an individual whose relationship by blood, marriage,
86.14 adoption, or partnering is no more remote than first cousin;

86.15 (4) "person" means an individual or entity of any kind; and

86.16 (5) "control" means the ability to affect the management, operations, or policy
86.17 actions or decisions of a person, whether through ownership of voting securities, by
86.18 contract, or otherwise.

86.19 (c) A lease of real property to be used for a charter school, not excluded in paragraph
86.20 (a), must contain the following statement: "This lease is subject to Minnesota Statutes,
86.21 section 124D.10, subdivision 23a."

86.22 ~~(e)~~ (d) If a charter school enters into as lessee a lease with a related party and the
86.23 charter school subsequently closes, the commissioner has the right to recover from the
86.24 lessor any lease payments in excess of those that are reasonable under section 124D.11,
86.25 subdivision 4, clause (1).

86.26 Subd. 24. **Pupil enrollment upon nonrenewal or termination of charter school**
86.27 **contract.** If a contract is not renewed or is terminated according to subdivision 23, a
86.28 pupil who attended the school, siblings of the pupil, or another pupil who resides in the
86.29 same place as the pupil may enroll in the resident district or may submit an application
86.30 to a nonresident district according to section 124D.03 at any time. Applications and
86.31 notices required by section 124D.03 must be processed and provided in a prompt manner.
86.32 The application and notice deadlines in section 124D.03 do not apply under these
86.33 circumstances. The closed charter school must transfer the student's educational records
86.34 within ten business days of closure to the student's school district of residence where the
86.35 records must be retained or transferred under section 120A.22, subdivision 7.

87.1 Subd. 25. **Extent of specific legal authority.** (a) The board of directors of a charter
87.2 school may sue and be sued.

87.3 (b) The board may not levy taxes or issue bonds.

87.4 (c) The commissioner, a sponsor, members of the board of a sponsor in their official
87.5 capacity, and employees of a sponsor are immune from civil or criminal liability with
87.6 respect to all activities related to a charter school they approve or sponsor. The board
87.7 of directors shall obtain at least the amount of and types of insurance ~~required by the~~
87.8 ~~contract, according to subdivision 6~~ up to the applicable tort liability limits under chapter
87.9 466. The charter school board must submit a copy of the insurance policy to its authorizer
87.10 and the commissioner before starting operations. The charter school board must submit
87.11 changes in its insurance carrier or policy to its authorizer and the commissioner within
87.12 20 business days of the change.

87.13 ~~Subd. 26. **Definitions.** For purposes of this section and section 124D.11:~~

87.14 ~~(1) A "Related party" is an affiliate or close relative of the other party in question, an~~
87.15 ~~affiliate of a close relative, or a close relative of an affiliate.~~

87.16 ~~(2) "Affiliate" means a person that directly, or indirectly through one or more~~
87.17 ~~intermediaries, controls, or is controlled by, or is under common control with, another~~
87.18 ~~person.~~

87.19 ~~(3) "Close relative" means an individual whose relationship by blood, marriage, or~~
87.20 ~~adoption to another individual is no more remote than first cousin.~~

87.21 ~~(4) "Person" means an individual or entity of any kind.~~

87.22 ~~(5) "Control" includes the terms "controlling," "controlled by," and "under common~~
87.23 ~~control with" and means the possession, direct or indirect, of the power to direct or cause~~
87.24 ~~the direction of the management, operations, or policies of a person, whether through the~~
87.25 ~~ownership of voting securities, by contract, or otherwise.~~

87.26 **EFFECTIVE DATE.** (a) This section is effective the day following final enactment
87.27 and applies to all contracts and affidavits approved and contracts entered into or modified
87.28 beginning August 1, 2009, unless otherwise specified in this effective date.

87.29 (b) Subdivision 3, paragraph (b), clause (2), applies to an authorizer seeking
87.30 approval to charter a school after the effective date of this act. The changes in subdivision
87.31 3, paragraph (b), clause (2), shall not apply to a sponsor under Minnesota Statutes 2008,
87.32 section 124D.10, that is a party to a charter contract on the effective date of this act
87.33 except that subdivision 3, paragraph (b), clause (2), item (iv), applies to such sponsors
87.34 beginning July 1, 2011.

87.35 (c) The changes in subdivision 9 are effective the day following final enactment and
87.36 apply to the 2010-2011 school year and later.

88.1 Sec. 42. Minnesota Statutes 2008, section 124D.11, subdivision 9, is amended to read:

88.2 Subd. 9. **Payment of aids to charter schools.** (a) Notwithstanding section
 88.3 127A.45, subdivision 3, aid payments for the current fiscal year to a charter school ~~not in~~
 88.4 ~~its first year of operation~~ shall be of an equal amount on each of the ~~23~~ 24 payment dates.
 88.5 ~~A charter school in its first year of operation shall receive, on its first payment date, ten~~
 88.6 ~~percent of its cumulative amount guaranteed for the year and 22 payments of an equal~~
 88.7 ~~amount thereafter the sum of which shall equal the current year aid payment percentage~~
 88.8 ~~multiplied by the cumulative amount guaranteed.~~

88.9 (b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing
 88.10 operation on or prior to the end of a school year, the current year aid payment percentage
 88.11 multiplied by the amount due for the school year may be paid to the school after audit
 88.12 of prior fiscal year and current fiscal year pupil counts. June 30 of a school year, for the
 88.13 payment periods occurring after the school ceases serving students, the commissioner shall
 88.14 withhold the estimated state aid owed the school. The charter school board of directors
 88.15 and authorizer must submit to the commissioner a closure plan under chapter 308A or
 88.16 317A, and financial information about the school's liabilities and assets. After receiving
 88.17 the closure plan, financial information, an audit of pupil counts, documentation of lease
 88.18 expenditures, and monitoring of special education expenditures, the commissioner may
 88.19 release cash withheld and may continue regular payments up to the current year payment
 88.20 percentages if further amounts are owed. If, based on audits and monitoring, the school
 88.21 received state aid in excess of the amount owed, the commissioner shall retain aid withheld
 88.22 sufficient to eliminate the aid overpayment. For a charter school ceasing operations
 88.23 prior to, or at the end of, a school year, notwithstanding section 127A.45, subdivision
 88.24 3, preliminary final payments may be made after receiving the closure plan, audit of
 88.25 pupil counts, monitoring of special education expenditures, ~~and~~ documentation of lease
 88.26 expenditures, and school submission of Uniform Financial Accounting and Reporting
 88.27 Standards (UFARS) financial data for the final year of operation. Final payment may be
 88.28 made upon receipt of audited financial statements under section 123B.77, subdivision 3.

88.29 (c) If a charter school fails to comply with the commissioner's directive to return,
 88.30 for cause, federal or state funds administered by the department, the commissioner may
 88.31 withhold an amount of state aid sufficient to satisfy the directive.

88.32 (d) If, within the timeline under section 471.425, a charter school fails to pay the state
 88.33 of Minnesota, a school district, intermediate school district, or service cooperative after
 88.34 receiving an undisputed invoice for goods and services, the commissioner may withhold
 88.35 an amount of state aid sufficient to satisfy the claim and shall distribute the withheld
 88.36 aid to the interested state agency, school district, intermediate school district, or service

89.1 cooperative. An interested state agency, school district, intermediate school district, or
89.2 education cooperative shall notify the commissioner when a charter school fails to pay an
89.3 undisputed invoice within 75 business days of when it received the original invoice.

89.4 (e) Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent
89.5 of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day
89.6 of student attendance for that school year.

89.7 (d) (f) In order to receive state aid payments under this subdivision, a charter school
89.8 in its first three years of operation must submit a school calendar in the form and manner
89.9 requested by the department and a quarterly report to the Department of Education. The
89.10 report must list each student by grade, show the student's start and end dates, if any,
89.11 with the charter school, and for any student participating in a learning year program,
89.12 the report must list the hours and times of learning year activities. The report must be
89.13 submitted not more than two weeks after the end of the calendar quarter to the department.
89.14 The department must develop a Web-based reporting form for charter schools to use
89.15 when submitting enrollment reports. A charter school in its fourth and subsequent year of
89.16 operation must submit a school calendar and enrollment information to the department in
89.17 the form and manner requested by the department.

89.18 (e) (g) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter
89.19 school and satisfaction of creditors, cash and investment balances remaining shall be
89.20 returned to the state.

89.21 Sec. 43. Minnesota Statutes 2008, section 124D.128, subdivision 2, is amended to read:

89.22 Subd. 2. **Commissioner designation.** (a) ~~An area learning center~~ A state-approved
89.23 alternative program designated by the state must be a site. ~~An area learning center~~ A
89.24 state-approved alternative program must provide services to students who meet the criteria
89.25 in section 124D.68 and who are enrolled in:

89.26 (1) a district that is served by the ~~center~~ state-approved alternative program; or

89.27 (2) a charter school located within the geographic boundaries of a district that is
89.28 served by the ~~center~~ state-approved alternative program.

89.29 (b) A school district or charter school may be approved biennially by the state to
89.30 provide additional instructional programming that results in grade level acceleration. The
89.31 program must be designed so that students make grade progress during the school year
89.32 and graduate prior to the students' peers.

89.33 (c) To be designated, a district, charter school, or ~~center~~ state-approved alternative
89.34 program must demonstrate to the commissioner that it will:

90.1 (1) provide a program of instruction that permits pupils to receive instruction
90.2 throughout the entire year; and

90.3 (2) develop and maintain a separate record system that, for purposes of section
90.4 126C.05, permits identification of membership attributable to pupils participating in the
90.5 program. The record system and identification must ensure that the program will not have
90.6 the effect of increasing the total average daily membership attributable to an individual
90.7 pupil as a result of a learning year program. The record system must include the date the
90.8 pupil originally enrolled in a learning year program, the pupil's grade level, the date of
90.9 each grade promotion, the average daily membership generated in each grade level, the
90.10 number of credits or standards earned, and the number needed to graduate.

90.11 (d) A student who has not completed a school district's graduation requirements
90.12 may continue to enroll in courses the student must complete in order to graduate until
90.13 the student satisfies the district's graduation requirements or the student is 21 years old,
90.14 whichever comes first.

90.15 Sec. 44. Minnesota Statutes 2008, section 124D.128, subdivision 3, is amended to read:

90.16 Subd. 3. **Student planning.** A district, charter school, or ~~area learning center~~
90.17 state-approved alternative program must inform all pupils and their parents about the
90.18 learning year program and that participation in the program is optional. A continual
90.19 learning plan must be developed at least annually for each pupil with the participation
90.20 of the pupil, parent or guardian, teachers, and other staff; each participant must sign and
90.21 date the plan. The plan must specify the learning experiences that must occur during the
90.22 entire fiscal year and are necessary for grade progression or, for secondary students,
90.23 graduation. The plan must include:

90.24 (1) the pupil's learning objectives and experiences, including courses or credits the
90.25 pupil plans to complete each year and, for a secondary pupil, the graduation requirements
90.26 the student must complete;

90.27 (2) the assessment measurements used to evaluate a pupil's objectives;

90.28 (3) requirements for grade level or other appropriate progression; and

90.29 (4) for pupils generating more than one average daily membership in a given grade,
90.30 an indication of which objectives were unmet.

90.31 The plan may be modified to conform to district schedule changes. The district may
90.32 not modify the plan if the modification would result in delaying the student's time of
90.33 graduation.

90.34 Sec. 45. Minnesota Statutes 2008, section 124D.42, subdivision 6, is amended to read:

- 91.1 Subd. 6. **Program training.** The commission must, within available resources:
- 91.2 (1) orient each grantee organization in the nature, philosophy, and purpose of the
- 91.3 program; and
- 91.4 (2) build an ethic of community service through general community service training;
- 91.5 and.
- 91.6 ~~(3) provide additional training as it determines necessary, which may include~~
- 91.7 ~~training in evaluating early literacy skills and teaching reading to preschool children~~
- 91.8 ~~through the St. Croix River Education District under Laws 2001, First Special Session~~
- 91.9 ~~chapter 6, article 2, section 70, to assist local Head Start organizations in establishing and~~
- 91.10 ~~evaluating Head Start programs for developing children's early literacy skills.~~

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

91.12 Sec. 46. Minnesota Statutes 2008, section 124D.42, is amended by adding a

91.13 subdivision to read:

91.14 Subd. 6a. **Minnesota reading corps program.** (a) A Minnesota reading corps

91.15 program is established to provide Americorps members with a data-based problem-solving

91.16 model of literacy instruction to use in helping to train local Head Start program providers,

91.17 other prekindergarten program providers, and staff in schools with students in kindergarten

91.18 through grade 3 to evaluate and teach early literacy skills to children age 3 to grade 3.

91.19 (b) Literacy programs under this subdivision must comply with the provisions

91.20 governing literacy program goals and data use under section 119A.50, subdivision 3,

91.21 paragraph (b).

91.22 Sec. 47. Minnesota Statutes 2008, section 124D.68, subdivision 2, is amended to read:

91.23 Subd. 2. **Eligible pupils.** A pupil under the age of 21 or who meets the requirements

91.24 of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation

91.25 incentives program, if the pupil:

91.26 (1) performs substantially below the performance level for pupils of the same age

91.27 in a locally determined achievement test;

91.28 (2) is ~~at least one year~~ behind in satisfactorily completing coursework or obtaining

91.29 credits for graduation;

91.30 (3) is pregnant or is a parent;

91.31 (4) has been assessed as chemically dependent;

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

91.33 (6) has been referred by a school district for enrollment in an eligible program or

91.34 a program pursuant to section 124D.69;

- 92.1 (7) is a victim of physical or sexual abuse;
- 92.2 (8) has experienced mental health problems;
- 92.3 (9) has experienced homelessness sometime within six months before requesting a
- 92.4 transfer to an eligible program;
- 92.5 (10) speaks English as a second language or has limited English proficiency; or
- 92.6 (11) has withdrawn from school or has been chronically truant; or
- 92.7 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or
- 92.8 other life threatening illness or is the sibling of an eligible pupil who is being currently
- 92.9 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary
- 92.10 of the seven-county metropolitan area.

92.11 Sec. 48. Minnesota Statutes 2008, section 124D.68, subdivision 3, is amended to read:

92.12 Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2

92.13 may enroll in ~~area learning centers~~ a state-approved alternative program under sections

92.14 123A.05 to 123A.08.

92.15 (b) A pupil who is eligible according to subdivision 2 and who is ~~between the ages~~

92.16 ~~of 16 and 21~~ a high school junior or senior may enroll in postsecondary courses under

92.17 section 124D.09.

92.18 (c) A pupil who is eligible under subdivision 2, may enroll in any public elementary

92.19 or secondary education program.

92.20 (d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic,

92.21 nonsectarian school that has contracted with the serving school district to provide

92.22 educational services. However, notwithstanding other provisions of this section, only a

92.23 pupil who is eligible under subdivision 2, clause (12), may enroll in a contract alternative

92.24 school that is specifically structured to provide educational services to such a pupil.

92.25 (e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic

92.26 education programs approved under section 124D.52 and operated under the community

92.27 education program contained in section 124D.19.

92.28 Sec. 49. Minnesota Statutes 2008, section 124D.68, subdivision 4, is amended to read:

92.29 Subd. 4. **Additional eligible program.** A pupil who is at least 16 years of age,

92.30 who is eligible under subdivision 2, ~~clause (a)~~, and who has been enrolled only in a

92.31 public school, if the pupil has been enrolled in any school, during the year immediately

92.32 before transferring under this subdivision, may transfer to any nonpublic school that has

92.33 contracted with the serving school district to provide nonsectarian educational services.

93.1 The school must enroll every eligible pupil who seeks to transfer to the school under
93.2 this program subject to available space.

93.3 Sec. 50. Minnesota Statutes 2008, section 124D.68, subdivision 5, is amended to read:

93.4 Subd. 5. **Pupil enrollment.** (a) Any eligible pupil may apply to enroll in an eligible
93.5 program. Approval of the resident district is not required for:

93.6 (1) an eligible pupil to enroll in any eligible program in a nonresident district
93.7 under subdivision 3 or 4 or ~~an area learning center~~ a state-approved alternative program
93.8 established under section 123A.05; or

93.9 (2) an eligible pupil under subdivision 2, to enroll in an adult basic education
93.10 program approved under section 124D.52.

93.11 (b) Notwithstanding paragraph (a), a nonresident district must first approve the
93.12 enrollment application of any eligible pupil who was expelled under section 121A.45 for a
93.13 reason stated in section 124D.03, subdivision 1, paragraph (b).

93.14 **EFFECTIVE DATE.** This section is effective for the 2009-2010 school year and
93.15 later.

93.16 Sec. 51. Minnesota Statutes 2008, section 124D.83, subdivision 4, is amended to read:

93.17 Subd. 4. **Early childhood family education revenue.** A school receiving aid
93.18 under this section ~~is eligible~~ may apply annually to the commissioner to receive an early
93.19 childhood family education ~~revenue grant~~ to provide early childhood family education
93.20 programs for parents and children who are enrolled or eligible for enrollment in a federally
93.21 recognized tribe. ~~The revenue equals 1.5 times the statewide average expenditure per~~
93.22 ~~participant under section 124D.135, times the number of children and parents participating~~
93.23 ~~full time in the program.~~ The program ~~must grant~~ must be used for programs and services
93.24 that comply with section 124D.13, except that the school is not required to provide a
93.25 community education program or establish a community education advisory council. The
93.26 program must be designed to improve the skills of parents and promote American Indian
93.27 history, language, and culture. The school must make affirmative efforts to encourage
93.28 participation by fathers. Admission may not be limited to those enrolled in or eligible for
93.29 enrollment in a federally recognized tribe.

93.30 Sec. 52. Minnesota Statutes 2008, section 124D.86, subdivision 1, is amended to read:

93.31 Subdivision 1. **Use of revenue.** Districts must use integration revenue under this
93.32 section ~~must be used~~ for programs established under a desegregation plan filed with the
93.33 Department of Education according to Minnesota Rules, parts 3535.0100 to 3535.0180, or

94.1 under court order. The revenue must be used ~~to create or enhance learning opportunities~~
94.2 ~~which are designed to provide opportunities~~ for students to have increased and sustained
94.3 interracial contacts and improved educational opportunities and outcomes designed to
94.4 close the academic achievement gap between white students and protected students as
94.5 defined in Minnesota Rules, part 3535.0110, subpart 4, through classroom experiences,
94.6 staff initiatives, and other educationally related programs, consistent with subdivision 1b.

94.7 **EFFECTIVE DATE.** This section is effective for the 2010-2011 school year and
94.8 later.

94.9 Sec. 53. Minnesota Statutes 2008, section 124D.86, subdivision 1a, is amended to read:

94.10 Subd. 1a. **Budget approval process.** Each year before a district receives any
94.11 revenue under subdivision 3, ~~clause (4), (5), or (6),~~ the district by March 15 must submit to
94.12 the Department of Education, for its review and approval by May 15 a budget detailing the
94.13 costs of the desegregation/integration plan filed under Minnesota Rules, parts 3535.0100
94.14 to 3535.0180. Notwithstanding chapter 14, the department may develop criteria for
94.15 budget approval, consistent with subdivision 1b. The department shall consult with the
94.16 Desegregation Advisory Board in developing these criteria. The criteria developed by the
94.17 department ~~should~~ must address, at a minimum, the following:

94.18 (1) budget items cannot be approved unless they are part of any overall desegregation
94.19 plan approved by the district for isolated sites or by the Multidistrict Collaboration
94.20 Council and ~~participation~~ participating individual members;

94.21 (2) the budget must indicate how revenue expenditures will be used specifically to
94.22 support increased ~~opportunities for~~ and sustained interracial contact contacts and improved
94.23 educational opportunities and outcomes designed to close the academic achievement
94.24 gap between white students and protected students as defined in Minnesota Rules, part
94.25 3535.0110, subpart 4, consistent with subdivision 1b;

94.26 (3) components of the budget to be considered by the department, including staffing,
94.27 curriculum, transportation, facilities, materials, and equipment and reasonable planning
94.28 costs, as determined by the department; and

94.29 (4) if plans are proposed to enhance existing programs, the total budget being
94.30 appropriated to the program must be included, indicating what part is to be funded using
94.31 integration revenue and what part is to be funded using other revenues.

94.32 **EFFECTIVE DATE.** This section is effective for the 2010-2011 school year and
94.33 later.

94.34 Sec. 54. Minnesota Statutes 2008, section 124D.86, subdivision 1b, is amended to read:

95.1 Subd. 1b. **Plan components.** Each year a district's board must approve the plans
95.2 submitted by each district under Minnesota Rules, parts 3535.0160 and 3535.0170,
95.3 ~~must be approved by the district's board each year~~ before integration revenue will be is
95.4 awarded. If a district is applying for revenue for a plan that is part of a multidistrict
95.5 council, the individual district shall not receive revenue unless it ratifies the plan adopted
95.6 by its multidistrict council or approves a modified plan with a written explanation of
95.7 any modifications. Each plan shall contain:

95.8 (1) ~~an identification of~~ identify the integration issues at the sites or districts covered
95.9 by Minnesota Rules, parts 3535.0100 to 3535.0180;

95.10 (2) ~~a description of~~ describe the community outreach that preceded the integration
95.11 plan, such that the commissioner can determine whether the membership of the planning
95.12 councils complied with the requirements of Minnesota Rules, parts 3535.0100 to
95.13 3535.0180; ~~and~~

95.14 (3) ~~the~~ identify specific goals of the integration plan that is premised on valid and
95.15 reliable measures, effective and efficient use of resources, and continuous adaptation of
95.16 best practices;

95.17 (4) provide for implementing innovative and practical strategies and programs such
95.18 as magnet schools, transportation, research-based programs to improve the performance of
95.19 protected students with lower measured achievement on state or local assessments, staff
95.20 development for teachers in cultural competency, formative assessments, and increased
95.21 numbers of teachers of color that enable the district to achieve annual progress in realizing
95.22 the goals in its plan; and

95.23 (5) establish valid and reliable longitudinal measures for the district to use in
95.24 demonstrating to the commissioner the amount of progress it has achieved in realizing
95.25 the goals in its plan.

95.26 By June 30 of the subsequent fiscal year, each district shall report to the commissioner in
95.27 writing about the extent to which the integration goals identified in the plan were met.

95.28 **EFFECTIVE DATE.** This section is effective for the 2010-2011 school year and
95.29 later.

95.30 Sec. 55. Minnesota Statutes 2008, section 125A.61, subdivision 1, is amended to read:

95.31 Subdivision 1. **State schools at Faribault.** The Minnesota State Academy for the
95.32 Deaf and the Minnesota State Academy for the Blind are residential schools in Faribault.
95.33 They are public schools under sections 122A.15; and 122A.16; ~~and 122A.32~~ and state
95.34 educational institutions.

96.1 Sec. 56. Minnesota Statutes 2008, section 126C.05, subdivision 15, is amended to read:

96.2 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning
 96.3 year program under section 124D.128, an area learning center or an alternative learning
 96.4 program approved by the commissioner under sections 123A.05 and 123A.06, ~~an~~
 96.5 ~~alternative program approved by the commissioner~~, or a contract alternative program
 96.6 under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more than
 96.7 1,020 hours in a school year for a secondary student, more than 935 hours in a school year
 96.8 for an elementary student, or more than 425 hours in a school year for a kindergarten
 96.9 student without a disability, that pupil may be counted as more than one pupil in average
 96.10 daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess
 96.11 of one pupil must be determined by the ratio of the number of hours of instruction
 96.12 provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours
 96.13 required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii)
 96.14 the greater of 935 hours or the number of hours required for a full-time elementary pupil
 96.15 in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of
 96.16 425 hours or the number of hours required for a full-time kindergarten student without a
 96.17 disability in the district to 425 for a kindergarten student without a disability. Hours that
 96.18 occur after the close of the instructional year in June shall be attributable to the following
 96.19 fiscal year. A kindergarten student must not be counted as more than 1.2 pupils in average
 96.20 daily membership under this subdivision. A student in grades 1 through 12 must not be
 96.21 counted as more than 1.2 pupils in average daily membership under this subdivision.

96.22 (b)(i) To receive general education revenue for a pupil in an area learning center
 96.23 or alternative learning program that has an independent study component, a district
 96.24 must meet the requirements in this paragraph. The district must develop, for the pupil,
 96.25 a continual learning plan consistent with section 124D.128, subdivision 3. Each school
 96.26 district that has ~~a state-approved public~~ an area learning center or alternative learning
 96.27 program must reserve revenue in an amount equal to at least 90 percent of the district
 96.28 average general education revenue per pupil unit ~~less compensatory revenue per pupil~~
 96.29 ~~unit~~, minus an amount equal to the product of the formula allowance according to section
 96.30 126C.10, subdivision 2, times .0485, calculated without basic skills and transportation
 96.31 sparsity revenue, times the number of pupil units generated by students attending ~~a~~
 96.32 ~~state-approved public~~ an area learning center or alternative learning program. The amount
 96.33 of reserved revenue available under this subdivision may only be spent for program costs
 96.34 associated with the ~~state-approved public~~ area learning center or alternative learning
 96.35 program. ~~Compensatory revenue must be allocated according to section 126C.15;~~

97.1 ~~subdivision 2.~~ Basic skills revenue generated according to section 126C.10, subdivision 4,
97.2 by pupils attending the eligible program must be allocated to the program.

97.3 (ii) General education revenue for a pupil in ~~an approved~~ a state-approved
97.4 alternative program without an independent study component must be prorated for a
97.5 pupil participating for less than a full year, or its equivalent. The district must develop a
97.6 continual learning plan for the pupil, consistent with section 124D.128, subdivision 3.
97.7 Each school district that has a ~~state-approved public~~ an area learning center or alternative
97.8 learning program must reserve revenue in an amount equal to at least 90 percent of the
97.9 district average general education revenue per pupil unit ~~less compensatory revenue per~~
97.10 pupil unit, minus an amount equal to the product of the formula allowance according
97.11 to section 126C.10, subdivision 2, times .0485, calculated without basic skills and
97.12 transportation sparsity revenue, times the number of pupil units generated by students
97.13 attending a ~~state-approved public~~ an area learning center or alternative learning program.
97.14 The amount of reserved revenue available under this subdivision may only be spent for
97.15 program costs associated with the ~~state-approved public~~ area learning center or alternative
97.16 learning program. ~~Compensatory revenue must be allocated according to section 126C.15,~~
97.17 ~~subdivision 2.~~ Basic skills revenue generated according to section 126C.10, subdivision 4,
97.18 by pupils attending the eligible program must be allocated to the program.

97.19 (iii) General education revenue for a pupil in ~~an approved~~ a state-approved
97.20 alternative program that has an independent study component must be paid for each hour
97.21 of teacher contact time and each hour of independent study time completed toward a
97.22 credit or graduation standards necessary for graduation. Average daily membership for a
97.23 pupil shall equal the number of hours of teacher contact time and independent study
97.24 time divided by 1,020.

97.25 (iv) For ~~an~~ a state-approved alternative program having an independent study
97.26 component, the commissioner shall require a description of the courses in the program, the
97.27 kinds of independent study involved, the expected learning outcomes of the courses, and
97.28 the means of measuring student performance against the expected outcomes.

97.29 Sec. 57. Minnesota Statutes 2008, section 126C.05, subdivision 20, is amended to read:

97.30 Subd. 20. **Project-based average daily membership.** (a) Project-based is an
97.31 instructional program where students complete coursework for credit at an individual pace
97.32 that is primarily student-led and may be completed on site, in the community, or online. A
97.33 project-based program may be made available to all or designated students and grades
97.34 in a school. To receive general education revenue for a pupil enrolled in a public school

98.1 with a project-based program, a school must meet the requirements in this paragraph.

98.2 The school must:

98.3 (1) ~~register with the commissioner as a project-based program by May 30 of the~~
98.4 ~~preceding fiscal year~~ apply and receive approval from the commissioner as a project-based
98.5 program at least 90 days prior to starting the program;

98.6 (2) provide a minimum teacher contact of no less than one hour per week per
98.7 project-based credit for each pupil;

98.8 (3) ensure that the program will not increase the total average daily membership
98.9 generated by the student and that there will be the expectation that the students will be
98.10 making typical progression towards high school graduation;

98.11 ~~(3)~~ (4) maintain a record system that shows when each credit or portion thereof was
98.12 reported for membership for each pupil; and

98.13 ~~(4)~~ (5) report pupil membership consistent with paragraph (b).

98.14 (b) The commissioner must develop a formula for reporting pupil membership to
98.15 compute average daily membership for each ~~registered~~ approved project-based school
98.16 program. Average daily membership for a pupil in a ~~registered~~ an approved project-based
98.17 program is the lesser of:

98.18 (1) 1.0; or

98.19 (2) the ratio of (i) the number of membership hours generated by project-based
98.20 credits completed during the school year plus membership hours generated by credits
98.21 completed in a seat-based setting to (ii) the annual required instructional hours at that
98.22 grade level. Membership hours for a partially completed project-based credit must be
98.23 prorated. General education revenue for a pupil in a project-based program must be
98.24 prorated for a pupil participating for less than a full year, or its equivalent.

98.25 (c) For a program that has not been approved by the commissioner for project-based
98.26 learning but an auditor or other site visit deems that any portion or credits awarded
98.27 by the school are project-based, student membership must be computed according to
98.28 paragraph (b).

98.29 Sec. 58. **[127A.70] MINNESOTA P-20 EDUCATION PARTNERSHIP.**

98.30 Subdivision 1. Establishment; membership. A P-20 education partnership is
98.31 established to create a seamless system of education that maximizes achievements of
98.32 all students, from early childhood through elementary, secondary, and postsecondary
98.33 education, while promoting the efficient use of financial and human resources. The
98.34 partnership shall consist of major statewide educational groups or constituencies or
98.35 noneducational statewide organizations with a stated interest in P-20 education. The initial

99.1 membership of the partnership includes the members serving on the Minnesota P-16
99.2 Education Partnership and four legislators appointed as follows:

99.3 (1) one senator from the majority party and one senator from the minority party,
99.4 appointed by the Subcommittee on Committees of the Committee on Rules and
99.5 Administration; and

99.6 (2) one member of the house of representatives appointed by the speaker of the
99.7 house and one member appointed by the minority leader of the house of representatives.

99.8 The chair of the P-16 education partnership must convene the first meeting of the
99.9 P-20 partnership. Prospective members may be nominated by any partnership member and
99.10 new members will be added with the approval of a two-thirds majority of the partnership.
99.11 The partnership will also seek input from nonmember organizations whose expertise can
99.12 help inform the partnership's work.

99.13 Partnership members shall be represented by the chief executives, presidents, or
99.14 other formally designated leaders of their respective organizations, or their designees. The
99.15 partnership shall meet at least three times during each calendar year.

99.16 Subd. 2. **Powers and duties; report.** The partnership shall develop
99.17 recommendations to the governor and the legislature designed to maximize the
99.18 achievement of all P-20 students while promoting the efficient use of state resources,
99.19 thereby helping the state realize the maximum value for its investment. These
99.20 recommendations may include, but are not limited to, strategies, policies, or other actions
99.21 focused on:

99.22 (1) improving the quality of and access to education at all points from preschool
99.23 through graduate education;

99.24 (2) improving preparation for, and transitions to, postsecondary education and
99.25 work; and

99.26 (3) ensuring educator quality by creating rigorous standards for teacher recruitment,
99.27 teacher preparation, induction and mentoring of beginning teachers, and continuous
99.28 professional development for career teachers.

99.29 By January 15 of each year, the partnership shall submit a report to the governor
99.30 and to the chairs and ranking minority members of the legislative committees and
99.31 divisions with jurisdiction over P-20 education policy and finance that summarizes the
99.32 partnership's progress in meeting its goals and identifies the need for any draft legislation
99.33 when necessary to further the goals of the partnership to maximize student achievement
99.34 while promoting efficient use of resources.

99.35 Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, the partnership
99.36 is permanent and does not expire.

100.1 Sec. 59. Minnesota Statutes 2008, section 471.975, is amended to read:

100.2 **471.975 MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.**

100.3 (a) Except as provided in paragraph (b), a statutory or home rule charter city, county,
100.4 town, or other political subdivision may pay to each eligible member of the National
100.5 Guard or other reserve component of the armed forces of the United States an amount
100.6 equal to the difference between the member's ~~basic~~ base active duty military salary and the
100.7 salary the member would be paid as an active political subdivision employee, including
100.8 any adjustments the member would have received if not on leave of absence. This
100.9 payment may be made only to a person whose ~~basic~~ base active duty military salary is less
100.10 than the salary the person would be paid as an active political subdivision employee. Back
100.11 pay authorized by this section may be paid in a lump sum. Payment under this section
100.12 must not extend beyond four years from the date the employee reported for active service,
100.13 plus any additional time the employee may be legally required to serve.

100.14 (b) Subject to the limits under paragraph (g), each school district shall pay to each
100.15 eligible member of the National Guard or other reserve component of the armed forces of
100.16 the United States an amount equal to the difference between the member's ~~basic~~ base active
100.17 duty military salary and the salary the member would be paid as an active school district
100.18 employee, including any adjustments the member would have received if not on leave of
100.19 absence. The pay differential must be based on a comparison between the member's daily
100.20 base rate of active duty pay, calculated by dividing the member's base military monthly
100.21 salary by the number of paid days in the month, and the member's daily rate of pay for the
100.22 member's school district salary, calculated by dividing the member's total school district
100.23 salary by the number of contract days. The member's salary as a school district employee
100.24 must include the member's basic salary and any additional salary the member earns from
100.25 the school district for cocurricular and extracurricular activities. The differential payment
100.26 under this paragraph must be the difference between the daily base rates of military pay
100.27 times the number of school district contract days the member misses because of military
100.28 active duty. This payment may be made only to a person whose ~~basic active duty military~~
100.29 ~~salary~~ daily base rate of active duty pay is less than the ~~salary the person would be paid~~
100.30 person's daily rate of pay as an active school district employee. Payments may be made at
100.31 the intervals at which the member received pay as a school district employee. Payment
100.32 under this section must not extend beyond four years from the date the employee reported
100.33 for active service, plus any additional time the employee may be legally required to serve.

100.34 (c) An eligible member of the reserve components of the armed forces of the United
100.35 States is a reservist or National Guard member who was an employee of a political

101.1 subdivision at the time the member reported for active service on or after May 29, 2003,
101.2 or who is on active service on May 29, 2003.

101.3 (d) Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a
101.4 statutory or home rule charter city, county, town, or other political subdivision has total
101.5 discretion regarding employee benefit continuation for a member who reports for active
101.6 service and the terms and conditions of any benefit.

101.7 (e) A school district must continue the employee's enrollment in health and dental
101.8 coverage, and the employer contribution toward that coverage, until the employee is
101.9 covered by health and dental coverage provided by the armed forces. If the employee had
101.10 elected dependent coverage for health or dental coverage as of the time that the employee
101.11 reported for active service, a school district must offer the employee the option to continue
101.12 the dependent coverage at the employee's own expense. A school district must permit
101.13 the employee to continue participating in any pretax account in which the employee
101.14 participated when the employee reported for active service, to the extent of employee pay
101.15 available for that purpose.

101.16 (f) For purposes of this section, "active service" has the meaning given in section
101.17 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

101.18 (1) basic combat training, advanced individual training, annual training, and periodic
101.19 inactive duty training;

101.20 (2) special training periodically made available to reserve members; and

101.21 (3) service performed in accordance with section 190.08, subdivision 3.

101.22 (g) A school district making payments under paragraph (b) shall place a sum equal
101.23 to any difference between the amount of salary that would have been paid to the employee
101.24 who is receiving the payments and the amount of salary being paid to substitutes for
101.25 that employee into a special fund that must be used to pay or partially pay the deployed
101.26 employee's payments under paragraph (b). A school district is required to pay only this
101.27 amount to the deployed school district employee.

101.28 **EFFECTIVE DATE.** This section is effective the day following final enactment
101.29 and applies to members of the National Guard and other reserve components of the United
101.30 States armed forces serving in active military service on or after that date.

101.31 Sec. 60. **IMPLEMENTING RIGOROUS COURSEWORK MEASURES**
101.32 **RELATED TO STUDENT PERFORMANCE.**

101.33 To implement the requirements of Minnesota Statutes, section 120B.35, subdivision
101.34 3, paragraph (c), clauses (1) and (2), and to help parents and members of the public better
101.35 understand the reported data, the commissioner of education must convene a group

102.1 of recognized and qualified experts and interested stakeholders, including parents and
102.2 teachers among other stakeholders, to develop a model projecting anticipated performance
102.3 of each high school on preparation and rigorous coursework measures that compares the
102.4 school with similar schools. The model must use information about entering high school
102.5 students based on particular background characteristics that are predictive of differing
102.6 rates of college readiness. These characteristics include grade 8 achievement levels, high
102.7 school student mobility, high school student attendance, and the size of each entering ninth
102.8 grade class. The group of experts and stakeholders may examine other characteristics not
102.9 part of the prediction model including the nine student categories identified under the
102.10 federal 2001 No Child Left Behind Act, and two student gender categories of male and
102.11 female, respectively. The commissioner annually must use the predicted level of entering
102.12 students' performance to provide a context for interpreting graduating students' actual
102.13 performance. The group convened under this section expires June 30, 2011.

102.14 **EFFECTIVE DATE.** This section is effective the day following final enactment
102.15 and applies to school report cards beginning July 1, 2011.

102.16 Sec. 61. **IMPLEMENTING MEASURES FOR ASSESSING SCHOOL SAFETY**
102.17 **AND STUDENTS' ENGAGEMENT AND CONNECTION AT SCHOOL .**

102.18 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
102.19 subdivision 3, paragraph (d), the commissioner of education, in consultation with
102.20 interested stakeholders, including parents and teachers among other stakeholders,
102.21 must convene a group of recognized and qualified experts on student engagement and
102.22 connection and classroom teachers currently teaching in Minnesota schools to:

102.23 (1) identify highly reliable variables of student engagement and connection that
102.24 may include student attendance, home support for learning, and student participation in
102.25 out-of-school activities, among other variables; and

102.26 (2) determine how to report "safety" in order to comply with federal law.

102.27 (b) The commissioner must submit a written report and all the group's working
102.28 papers to the education committees of the house of representatives and senate by February
102.29 15, 2010, presenting the group's responses to paragraph (a), clauses (1) and (2). The
102.30 commissioner must submit a second, related report to the education committees of the
102.31 legislature by February 15, 2013, indicating the content and analysis of and the format for
102.32 reporting any data collected under Minnesota Statutes, section 120B.35, subdivision 3,
102.33 paragraph (d). The group convened under this section expires December 31, 2013.

102.34 **EFFECTIVE DATE.** This section is effective the day following final enactment
102.35 and applies to school report cards beginning July 1, 2014.

103.1 Sec. 62. **HIGH SCHOOL ASSESSMENT SYSTEM; RECOMMENDATIONS.**

103.2 A college and career-readiness workgroup on a comprehensive high school
103.3 assessment and accountability system that aligns to college and career readiness headed
103.4 jointly by the Minnesota Department of Education and the University of Minnesota must
103.5 evaluate and make recommendations on:

103.6 (1) the design of Minnesota's high school assessment system for ensuring that
103.7 students are college and career ready upon graduation from high school;

103.8 (2) the levels of accountability that will be incorporated into this assessment system
103.9 for the state, district, school, and student;

103.10 (3) the statewide mechanism for accountability at these various levels. The
103.11 accountability system must be consistent and coherent enough to ensure that all students
103.12 are moving toward college and career readiness, but also flexible enough to recognize the
103.13 varied needs of different students;

103.14 (4) a plan for Minnesota postsecondary institutions to evaluate these assessments
103.15 for possible use in admissions, placement, and scholarship opportunities as the system is
103.16 implemented; and

103.17 (5) the implementation timeline that will ensure that this college and career-ready
103.18 anchor assessment system is put in place in Minnesota.

103.19 This workgroup must report its recommendations to the commissioner of education
103.20 by December 31, 2009. The commissioner must provide this report and any related
103.21 commentary on these findings to the legislative committees having jurisdiction over E-12
103.22 and higher education by February 15, 2010.

103.23 Sec. 63. **LEGISLATIVE REPORT ON DISTRICTS' USE OF AND NEED FOR**
103.24 **INTEGRATION REVENUE.**

103.25 The commissioner must analyze the substance of school district integration plans
103.26 under Minnesota Statutes, section 124D.86, subdivision 1b, to identify the elements of
103.27 and trends in district strategies and programs, the amount of success districts achieved
103.28 in realizing the specific goals contained in their plans, and the estimated funds districts
103.29 need to fully implement those plans. The commissioner must include in the analysis the
103.30 impact of demographic changes experienced at school sites and school districts involving
103.31 students of color, students with limited English proficiency, and students who are homeless
103.32 or highly mobile, as well as changes in immigration patterns and housing patterns
103.33 experienced by schools and districts, and the availability of and districts' participation in
103.34 interdistrict integration opportunities. The commissioner must submit a report on the

104.1 substance of the analysis and any resulting recommendations to the K-12 education policy
104.2 and finance committees of the legislature by February 1, 2011.

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

104.4 Sec. 64. **RESERVED REVENUE FOR STAFF DEVELOPMENT; TEMPORARY**
104.5 **SUSPENSION.**

104.6 Notwithstanding Minnesota Statutes, section 122A.61, subdivision 1, for fiscal years
104.7 2010 and 2011 only, a school district or charter school may use revenue reserved for staff
104.8 development under Minnesota Statutes, section 122A.61, subdivision 1, according to the
104.9 requirements of general education revenue under Minnesota Statutes, section 126C.13,
104.10 subdivision 5.

104.11 **EFFECTIVE DATE.** This section is effective July 1, 2009.

104.12 Sec. 65. **INNOVATIVE SCHOOL ADVISORY COUNCIL.**

104.13 (a) A nine-member Innovative School Advisory Council is established. Council
104.14 members serve a three-year term and shall include individuals experienced with innovation
104.15 in school districts and charter schools. At least one member must be experienced with
104.16 innovation in noneducation sectors. The commissioner shall appoint the council members
104.17 by August 1, 2009, and shall consider geographic balance when making the appointments.

104.18 (b) The advisory council shall advise and make recommendations to the
104.19 commissioner on such matters as:

104.20 (1) disseminating information on site-governed schools under Minnesota Statutes,
104.21 chapters 123B and 124D;

104.22 (2) supporting innovation that includes new models of schools, accountability, and
104.23 funding designed to sustain innovation in charter schools and school districts;

104.24 (3) identifying ways to improve communication, cooperation, and the exchange of
104.25 ideas between and among school sites, charter schools, and school districts regarding how
104.26 to use current law to foster innovative new schools; and

104.27 (4) identifying ways for schools to learn from innovators in noneducation sectors.

104.28 (c) Council members are not subject to Minnesota Statutes, section 15.059. The
104.29 commissioner may not reimburse council members for council activities.

104.30 (d) The advisory council shall recommend to the commissioner and the legislature,
104.31 by December 1, 2009, an organizational model for planning the development, start-up,
104.32 and operation of new, innovative schools for both school districts and charter schools.
104.33 The council, as part of its recommendation, may suggest legislation to implement this

105.1 organizational model, including how to capture nonstate and nonpublic funds for planning
105.2 new, innovative schools.

105.3 (e) The Innovative School Advisory Council under this section expires June 30, 2011.

105.4 **Sec. 66. ASSESSMENT OF READING INSTRUCTION.**

105.5 (a) By February 1, 2012, the Board of Teaching shall administer the assessment of
105.6 reading instruction portion of the examination of licensure-specific teaching skills for all
105.7 candidates for initial licenses to teach prekindergarten or elementary students, consistent
105.8 with Minnesota Statutes, section 122A.09, subdivision 4, paragraph (e).

105.9 (b) The Board of Teaching shall report to the legislative committees with jurisdiction
105.10 over prekindergarten through grade 12 education policy by March 15, 2011, on the
105.11 assessment of reading instruction portion of the examination of licensure-specific teaching
105.12 skills under paragraph (a).

105.13 **EFFECTIVE DATE.** This section is effective the day following final enactment
105.14 and applies to teacher candidates beginning February 1, 2012.

105.15 **Sec. 67. APPROPRIATIONS.**

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

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

105.21 \$ 40,453,000 2010

105.22 \$ 44,775,000 2011

105.23 The 2010 appropriation includes \$3,704,000 for 2009 and \$36,749,000 for 2010.

105.24 The 2011 appropriation includes \$4,083,000 for 2010 and \$40,692,000 for 2011.

105.25 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under
105.26 Minnesota Statutes, section 124D.11:

105.27 \$ 1,488,000 2010

105.28 \$ 1,064,000 2011

105.29 The 2010 appropriation includes \$202,000 for 2009 and \$1,286,000 for 2010.

105.30 The 2011 appropriation includes \$142,000 for 2010 and \$922,000 for 2011.

106.1 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
106.2 124D.86, subdivision 5:

106.3 \$ 65,358,000 2010

106.4 \$ 65,484,000 2011

106.5 The 2010 appropriation includes \$6,110,000 for 2009 and \$59,248,000 for 2010.

106.6 The 2011 appropriation includes \$6,583,000 for 2010 and \$58,901,000 for 2011.

106.7 Subd. 5. **Magnet school grants.** For magnet school and program grants under
106.8 Minnesota Statutes section 124D.88:

106.9 \$ 750,000 2010

106.10 \$ 750,000 2011

106.11 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
106.12 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
106.13 section 124D.87:

106.14 \$ 14,468,000 2010

106.15 \$ 17,582,000 2011

106.16 Subd. 7. **Success for the future.** For American Indian success for the future grants
106.17 under Minnesota Statutes, section 124D.81:

106.18 \$ 2,137,000 2010

106.19 \$ 2,137,000 2011

106.20 The 2010 appropriation includes \$213,000 for 2009 and \$1,924,000 for 2010.

106.21 The 2011 appropriation includes \$213,000 for 2010 and \$1,924,000 for 2011.

106.22 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist
106.23 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

106.24 \$ 190,000 2010

106.25 \$ 190,000 2011

106.26 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
106.27 Statutes, section 124D.83:

106.28 \$ 2,030,000 2010

106.29 \$ 2,211,000 2011

107.1 The 2010 appropriation includes \$191,000 for 2009 and \$1,839,000 for 2010.

107.2 The 2011 appropriation includes \$204,000 for 2010 and \$2,007,000 for 2011.

107.3 Subd. 10. **Early childhood programs at tribal schools.** For early childhood
107.4 family education programs at tribal contract schools under Minnesota Statutes, section
107.5 124D.83, subdivision 4:

107.6 \$ 68,000 2010

107.7 \$ 68,000 2011

107.8 Subd. 11. **Statewide testing and reporting system.** For the statewide testing and
107.9 reporting system under Minnesota Statutes, section 120B.30:

107.10 \$ 15,150,000 2010

107.11 \$ 15,150,000 2011

107.12 None of the amounts appropriated under this subdivision shall be used for contract
107.13 costs associated with hand-scoring of constructed-response items of the Minnesota
107.14 Comprehensive Assessment-Series II in reading, science, and mathematics, with the
107.15 exception of mathematics grades 3 to 8 of the 2009-2010 school year. Any balance in
107.16 the first year does not cancel but is available in the second year. Any amount generated
107.17 as a result of the savings from foregoing hand-scoring shall be, to the extent possible,
107.18 redirected into the development of computerized statewide testing.

107.19 Subd. 12. **Examination fees; teacher training and support programs.** (a) For
107.20 students' advanced placement and international baccalaureate examination fees under
107.21 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs
107.22 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
107.23 subdivision 1:

107.24 \$ 4,500,000 2010

107.25 \$ 4,500,000 2011

107.26 (b) The advanced placement program shall receive 75 percent of the appropriation
107.27 each year and the international baccalaureate program shall receive 25 percent of the
107.28 appropriation each year. The department, in consultation with representatives of the
107.29 advanced placement and international baccalaureate programs selected by the Advanced
107.30 Placement Advisory Council and IBMN, respectively, shall determine the amounts of
107.31 the expenditures each year for examination fees and training and support programs for
107.32 each program.

108.1 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
108.2 \$500,000 each year is for teachers to attend subject matter summer training programs
108.3 and follow-up support workshops approved by the advanced placement or international
108.4 baccalaureate programs. The commissioner shall determine the payment process and
108.5 the amount of the subsidy.

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

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

108.11 Subd. 13. **Concurrent enrollment programs.** For concurrent enrollment programs
108.12 under Minnesota Statutes, section 124D.091:

108.13 \$ 2,000,000 2010

108.14 \$ 2,000,000 2011

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

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

108.18 Subd. 14. **Collaborative urban educator.** For the collaborative urban educator
108.19 grant program:

108.20 \$ 528,000 2010

108.21 \$ 528,000 2011

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

108.23 Subd. 15. **Youth works program.** For funding youth works programs under
108.24 Minnesota Statutes, sections 124D.37 to 124D.45:

108.25 \$ 900,000 2010

108.26 \$ 900,000 2011

108.27 A grantee organization may provide health and child care coverage to the dependents
108.28 of each participant enrolled in a full-time youth works program to the extent such coverage
108.29 is not otherwise available.

108.30 Subd. 16. **Student organizations.** For student organizations:

109.1 \$ 725,000 2010

109.2 \$ 725,000 2011

109.3 \$40,000 each year is for student organizations serving health occupations.

109.4 \$38,000 each year is for student organizations serving service occupations.

109.5 \$88,000 each year is for student organizations serving trade and industry occupations.

109.6 \$84,000 each year is for student organizations serving business occupations.

109.7 \$131,000 each year is for student organizations serving agriculture occupations.

109.8 \$125,000 each year is for student organizations serving family and consumer science
109.9 occupations.

109.10 \$95,000 each year is for student organizations serving marketing occupations.

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

109.12 Subd. 17. **Education Planning and Assessment System (EPAS) program.** For
109.13 the Educational Planning and Assessment System (EPAS) program under Minnesota
109.14 Statutes, section 120B.128:

109.15 \$ 829,000 2010

109.16 \$ 829,000 2011

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

109.18 Subd. 18. **Early childhood literacy programs.** For early childhood literacy
109.19 programs under Minnesota Statutes, section 119A.50, subdivision 3:

109.20 \$ 1,375,000 2010

109.21 \$ 1,375,000 2011

109.22 Up to \$1,375,000 each year is for leveraging federal and private funding to support
109.23 AmeriCorps members serving in the Minnesota Reading Corps program established by
109.24 Serve Minnesota, including costs associated with the training and teaching of early literacy
109.25 skills to children age three to grade 3 and the evaluation of the impact of the program
109.26 under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

109.28 Subd. 19. **Math and science teacher centers.** For math and science teacher centers
109.29 under Minnesota Statutes, section 122A.72:

109.30 \$ 750,000 2010

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

109.32 This is a onetime appropriation.

110.1 Sec. 68. **REPEALER.**

110.2 Minnesota Statutes 2008, sections 120B.362; 120B.39; 122A.32; 122A.628; and
110.3 122A.75, are repealed.

110.4 **ARTICLE 3**
110.5 **SPECIAL PROGRAMS**

110.6 Section 1. Minnesota Statutes 2008, section 121A.41, subdivision 7, is amended to
110.7 read:

110.8 Subd. 7. **Pupil.** (a) "Pupil" means any student:

110.9 (1) without a disability under 21 years of age; or

110.10 (2) with a disability ~~until September 1 after the child with a disability becomes 22~~
110.11 ~~years of age~~ under 21 years old who has not received a regular high school diploma or
110.12 for a child with a disability who becomes 21 years old during the school year but has not
110.13 received a regular high school diploma, until the end of that school year; and

110.14 (3) ~~and~~ who remains eligible to attend a public elementary or secondary school.

110.15 (b) A "student with a disability" or a "pupil with a disability" has the same meaning
110.16 as a "child with a disability" under section 125A.02.

110.17 Sec. 2. Minnesota Statutes 2008, section 121A.41, subdivision 10, is amended to read:

110.18 Subd. 10. **Suspension.** "Suspension" means an action by the school administration,
110.19 under rules promulgated by the school board, prohibiting a pupil from attending school
110.20 for a period of no more than ten school days. If a suspension is longer than five days,
110.21 the suspending administrator must provide the superintendent with a reason for the
110.22 longer suspension. This definition does not apply to dismissal from school for one school
110.23 day or less, except as provided in federal law for a student with a disability. Each
110.24 suspension action may include a readmission plan. The readmission plan shall include,
110.25 where appropriate, a provision for implementing alternative educational services upon
110.26 readmission and may not be used to extend the current suspension. Consistent with section
110.27 125A.091, subdivision 5, the readmission plan must not obligate a parent to provide a
110.28 sympathomimetic medication for the parent's child as a condition of readmission. The
110.29 school administration may not impose consecutive suspensions against the same pupil
110.30 for the same course of conduct, or incident of misconduct, except where the pupil will
110.31 create an immediate and substantial danger to self or to surrounding persons or property,
110.32 or where the district is in the process of initiating an expulsion, in which case the school
110.33 administration may extend the suspension to a total of 15 school days. ~~In the case~~
110.34 ~~of a student with a disability, the student's individual education plan team must meet~~

111.1 ~~immediately but not more than ten school days after the date on which the decision to~~
111.2 ~~remove the student from the student's current education placement is made. The individual~~
111.3 ~~education plan team and other qualified personnel shall at that meeting: conduct a review~~
111.4 ~~of the relationship between the child's disability and the behavior subject to disciplinary~~
111.5 ~~action; and determine the appropriateness of the child's education plan.~~

111.6 ~~The requirements of the individual education plan team meeting apply when:~~

111.7 ~~(1) the parent requests a meeting;~~

111.8 ~~(2) the student is removed from the student's current placement for five or more~~
111.9 ~~consecutive days; or~~

111.10 ~~(3) the student's total days of removal from the student's placement during the~~
111.11 ~~school year exceed ten cumulative days in a school year. The school administration shall~~
111.12 ~~implement alternative educational services when the suspension exceeds five days. A~~
111.13 ~~separate administrative conference is required for each period of suspension.~~

111.14 Sec. 3. Minnesota Statutes 2008, section 121A.43, is amended to read:

111.15 **121A.43 EXCLUSION AND EXPULSION OF PUPILS WITH A DISABILITY.**

111.16 (a) Consistent with federal law governing days of removal and section 121A.46,
111.17 school personnel may suspend a child with a disability. When a child with a disability
111.18 has been suspended for more than five consecutive school days or 10 cumulative school
111.19 days in the same school year, and that suspension does not involve a recommendation for
111.20 expulsion or exclusion or other change of placement under federal law, relevant members
111.21 of the child's individualized education program team, including at least one of the child's
111.22 teachers, shall meet and determine the extent to which the child needs services in order to
111.23 continue to participate in the general education curriculum, although in another setting,
111.24 and to progress toward meeting the goals in the child's individualized education program.
111.25 That meeting must occur as soon as possible, but no more than 10 days after the sixth
111.26 consecutive day of suspension or the tenth cumulative day of suspension has elapsed.

111.27 (b) A dismissal for one school day or less is a day or a partial day of suspension if
111.28 the child with a disability does not receive regular or special education instruction during
111.29 that dismissal period. The notice requirements under section 121A.46 do not apply to a
111.30 dismissal of one day or less.

111.31 (c) A child with a disability shall be provided alternative educational services to the
111.32 extent a suspension exceeds five consecutive school days.

111.33 (d) Before initiating an expulsion or exclusion under sections 121A.40 to 121A.56,
111.34 the district, relevant members of the child's individualized education program team,
111.35 and the child's parent shall, consistent with federal law, determine whether the child's

112.1 behavior was caused by or had a direct and substantial relationship to the child's disability
112.2 and whether the child's conduct was a direct result of a failure to implement the child's
112.3 individualized education program. When a pupil child with a disability who has an
112.4 ~~individual~~ individualized education plan program is excluded or expelled under sections
112.5 121A.40 to 121A.56 for misbehavior that is not a manifestation of the ~~pupil's~~ child's
112.6 disability, the district shall continue to provide special education and related services ~~after~~
112.7 ~~a period of suspension, if suspension is imposed. The district shall initiate a review of~~
112.8 ~~the pupil's individual education plan and conduct a review of the relationship between~~
112.9 ~~the pupil's disability and the behavior subject to disciplinary action and determine~~
112.10 ~~the appropriateness of the pupil's education plan before commencing an expulsion or~~
112.11 ~~exclusion~~ during the exclusion or expulsion.

112.12 Sec. 4. Minnesota Statutes 2008, section 122A.31, subdivision 4, is amended to read:

112.13 Subd. 4. **Reimbursement.** (a) For purposes of revenue under section ~~125A.78~~
112.14 125A.76, the Department of Education must only reimburse school districts for the
112.15 services of those interpreters/transliterators who satisfy the standards of competency
112.16 under this section.

112.17 (b) Notwithstanding paragraph (a), a district shall be reimbursed for the services
112.18 of interpreters with a nonrenewable provisional certificate, interpreters/transliterators
112.19 employed to mentor the provisional certified interpreters, and persons for whom a
112.20 time-limited extension has been granted under subdivision 1, paragraph (d), or subdivision
112.21 2, paragraph (c).

112.22 Sec. 5. Minnesota Statutes 2008, section 125A.02, is amended to read:

112.23 **125A.02 CHILD WITH A DISABILITY DEFINED.**

112.24 Subdivision 1. **Child with a disability.** ~~Every child who has~~ "Child with a
112.25 disability" means a child identified under federal and state special education law as
112.26 having a hearing impairment, blindness, visual disability, speech or language impairment,
112.27 physical disability, other health impairment, mental disability, emotional/behavioral
112.28 disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities,
112.29 or ~~deaf/blind~~ deafblind disability ~~and who needs special instruction and education and~~
112.30 related services, as determined by the ~~standards~~ rules of the commissioner, is a child with
112.31 a disability. A licensed physician, an advanced practice nurse, or a licensed psychologist
112.32 is qualified to make a diagnosis and determination of attention deficit disorder or attention
112.33 deficit hyperactivity disorder for purposes of identifying a child with a disability.

113.1 Subd. 1a. **Children ages three through seven experiencing developmental**
113.2 **delays.** In addition, every child under age three, and at local district discretion from age
113.3 three to age seven, who needs special instruction and services, as determined by the
113.4 ~~standards~~ rules of the commissioner, because the child has a substantial delay or has
113.5 an identifiable physical or mental condition known to hinder normal development is
113.6 a child with a disability.

113.7 Subd. 2. **Not a child with a disability.** A child with a short-term or temporary
113.8 physical or emotional illness or disability, as determined by the ~~standards~~ rules of the
113.9 commissioner, is not a child with a disability.

113.10 Sec. 6. Minnesota Statutes 2008, section 125A.07, is amended to read:

113.11 **125A.07 RULES OF COMMISSIONER RULEMAKING.**

113.12 (a) ~~As defined in Consistent with this paragraph section, the commissioner **must**~~
113.13 ~~**shall** adopt new rules and amend existing rules relative to qualifications of essential~~
113.14 ~~personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms,~~
113.15 ~~equipment, supervision, parent consultation, and other necessary rules for instruction of~~
113.16 ~~children with a disability. These rules must provide standards and procedures appropriate~~
113.17 ~~for the implementation of and within the limitations of sections 125A.08 and 125A.091.~~
113.18 ~~These rules must also provide standards for the discipline, control, management, and~~
113.19 ~~protection of children with a disability. The commissioner must not adopt rules for pupils~~
113.20 ~~served primarily in the regular classroom establishing either case loads or the maximum~~
113.21 ~~number of pupils that may be assigned to special education teachers. The commissioner, in~~
113.22 ~~consultation with the Departments of Health and Human Services, must adopt permanent~~
113.23 ~~rules for instruction and services for children under age five and their families. These~~
113.24 ~~rules are binding on state and local education, health, and human services agencies. The~~
113.25 ~~commissioner must adopt rules to determine eligibility for special education services. The~~
113.26 ~~rules must include procedures and standards by which to grant variances for experimental~~
113.27 ~~eligibility criteria. The commissioner must, according to section 14.05, subdivision 4,~~
113.28 ~~notify a district applying for a variance from the rules within 45 calendar days of receiving~~
113.29 ~~the request whether the request for the variance has been granted or denied. If a request is~~
113.30 ~~denied, the commissioner must specify the program standards used to evaluate the request~~
113.31 ~~and the reasons for denying the request related to children with disabilities only under~~
113.32 ~~specific authority and consistent with the requirements of chapter 14 and paragraph (c).~~

113.33 (b) As provided in this paragraph, the state's regulatory scheme should support
113.34 schools by assuring that all state special education rules adopted by the commissioner
113.35 result in one or more of the following outcomes:

- 114.1 (1) increased time available to teachers and, where appropriate, to support staff
114.2 including school nurses for educating students through direct and indirect instruction;
114.3 (2) consistent and uniform access to effective education programs for students with
114.4 disabilities throughout the state;
114.5 (3) reduced inequalities and conflict, appropriate due process hearing procedures
114.6 and reduced court actions related to the delivery of special education instruction and
114.7 services for students with disabilities;
114.8 (4) clear expectations for service providers and for students with disabilities;
114.9 (5) increased accountability for all individuals and agencies that provide instruction
114.10 and other services to students with disabilities;
114.11 (6) greater focus for the state and local resources dedicated to educating students
114.12 with disabilities; and
114.13 (7) clearer standards for evaluating the effectiveness of education and support
114.14 services for students with disabilities.

114.15 (c) Subject to chapter 14, the commissioner may adopt, amend, or rescind a rule
114.16 related to children with disabilities if such action is specifically required by federal law.

114.17 Sec. 7. Minnesota Statutes 2008, section 125A.08, is amended to read:

114.18 **125A.08 SCHOOL DISTRICT OBLIGATIONS INDIVIDUALIZED**
114.19 **EDUCATION PROGRAMS.**

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

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

114.23 (1) all students with disabilities are provided the special instruction and services
114.24 which are appropriate to their needs. Where the individual education plan team has
114.25 determined appropriate goals and objectives based on the student's needs, including the
114.26 extent to which the student can be included in the least restrictive environment, and where
114.27 there are essentially equivalent and effective instruction, related services, or assistive
114.28 technology devices available to meet the student's needs, cost to the district may be among
114.29 the factors considered by the team in choosing how to provide the appropriate services,
114.30 instruction, or devices that are to be made part of the student's individual education plan.
114.31 The individual education plan team shall consider and may authorize services covered
114.32 by medical assistance according to section 256B.0625, subdivision 26. The student's
114.33 needs and the special education instruction and services to be provided must be agreed
114.34 upon through the development of an individual education plan. The plan must address
114.35 the student's need to develop skills to live and work as independently as possible within

115.1 the community. The individual education plan team must consider positive behavioral
115.2 interventions, strategies, and supports that address behavior for children with attention
115.3 deficit disorder or attention deficit hyperactivity disorder. ~~By~~ During grade 9 ~~or age 14~~,
115.4 the plan must address the student's needs for transition from secondary services to
115.5 postsecondary education and training, employment, community participation, recreation,
115.6 and leisure and home living. In developing the plan, districts must inform parents of the
115.7 full range of transitional goals and related services that should be considered. The plan
115.8 must include a statement of the needed transition services, including a statement of the
115.9 interagency responsibilities or linkages or both before secondary services are concluded;

115.10 (2) children with a disability under age five and their families are provided special
115.11 instruction and services appropriate to the child's level of functioning and needs;

115.12 (3) children with a disability and their parents or guardians are guaranteed procedural
115.13 safeguards and the right to participate in decisions involving identification, assessment
115.14 including assistive technology assessment, and educational placement of children with a
115.15 disability;

115.16 (4) eligibility and needs of children with a disability are determined by an initial
115.17 assessment or reassessment, which may be completed using existing data under United
115.18 States Code, title 20, section 33, et seq.;

115.19 (5) to the maximum extent appropriate, children with a disability, including those
115.20 in public or private institutions or other care facilities, are educated with children who
115.21 are not disabled, and that special classes, separate schooling, or other removal of children
115.22 with a disability from the regular educational environment occurs only when and to the
115.23 extent that the nature or severity of the disability is such that education in regular classes
115.24 with the use of supplementary services cannot be achieved satisfactorily;

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

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

115.31 ~~(b)~~ (c) For paraprofessionals employed to work in programs for students with
115.32 disabilities, the school board in each district shall ensure that:

115.33 (1) before or immediately upon employment, each paraprofessional develops
115.34 sufficient knowledge and skills in emergency procedures, building orientation, roles and
115.35 responsibilities, confidentiality, vulnerability, and reportability, among other things, to
115.36 begin meeting the needs of the students with whom the paraprofessional works;

116.1 (2) annual training opportunities are available to enable the paraprofessional to
116.2 continue to further develop the knowledge and skills that are specific to the students with
116.3 whom the paraprofessional works, including understanding disabilities, following lesson
116.4 plans, and implementing follow-up instructional procedures and activities; and

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

116.8 Sec. 8. Minnesota Statutes 2008, section 125A.091, is amended to read:

116.9 **125A.091 ALTERNATIVE DISPUTE RESOLUTION AND DUE PROCESS**
116.10 **HEARINGS.**

116.11 ~~Subdivision 1. **District obligation.** A school district must use the procedures in~~
116.12 ~~federal law and state law and rule to reach decisions about the identification, evaluation,~~
116.13 ~~educational placement, manifestation determination, interim alternative educational~~
116.14 ~~placement, or the provision of a free appropriate public education to a child with a~~
116.15 ~~disability.~~

116.16 ~~Subd. 2. **Prior written notice.** A parent must receive prior written notice~~
116.17 ~~a reasonable time before the district proposes or refuses to initiate or change the~~
116.18 ~~identification, evaluation, educational placement, or the provision of a free appropriate~~
116.19 ~~public education to a child with a disability.~~

116.20 ~~Subd. 3. **Content of notice.** The notice under subdivision 2 must:~~

116.21 ~~(1) describe the action the district proposes or refuses;~~

116.22 ~~(2) explain why the district proposes or refuses to take the action;~~

116.23 ~~(3) describe any other option the district considered and the reason why it rejected~~
116.24 ~~the option;~~

116.25 ~~(4) describe each evaluation procedure, test, record, or report the district used as a~~
116.26 ~~basis for the proposed or refused action;~~

116.27 ~~(5) describe any other factor affecting the proposal or refusal of the district to take~~
116.28 ~~the action;~~

116.29 ~~(6) state that the parent of a child with a disability is protected by procedural~~
116.30 ~~safeguards and, if this notice is not an initial referral for evaluation, how a parent can get a~~
116.31 ~~description of the procedural safeguards; and~~

116.32 ~~(7) identify where a parent can get help in understanding this law.~~

116.33 Subd. 3a. **Additional requirements for prior written notice.** In addition to federal
116.34 law requirements, a prior written notice shall:

117.1 (1) inform the parent that except for the initial placement of a child in special
117.2 education, the school district will proceed with its proposal for the child's placement or
117.3 for providing special education services unless the child's parent notifies the district of
117.4 an objection within 14 days of when the district sends the prior written notice to the
117.5 parent; and

117.6 (2) state that a parent who objects to a proposal or refusal in the prior written notice
117.7 may request a conciliation conference under subdivision 7 or another alternative dispute
117.8 resolution procedure under subdivision 8 or 9.

117.9 ~~Subd. 4. **Understandable notice.** (a) The written notice under subdivision 2 must~~
117.10 ~~be understandable to the general public and available in the parent's native language or by~~
117.11 ~~another communication form, unless it is clearly not feasible to do so.~~

117.12 ~~(b) If the parent's native language or other communication form is not written,~~
117.13 ~~the district must take steps to ensure that:~~

117.14 ~~(1) the notice is translated orally or by other means to the parent in the parent's~~
117.15 ~~native language or other communication form;~~

117.16 ~~(2) the parent understands the notice; and~~

117.17 ~~(3) written evidence indicates the requirements in subdivision 2 are met.~~

117.18 **Subd. 5. Initial action; parent consent.** (a) The district must not proceed with the
117.19 initial evaluation of a child, the initial placement of a child in a special education program,
117.20 or the initial provision of special education services for a child without the prior written
117.21 consent of the child's parent. A district may not override the written refusal of a parent to
117.22 consent to an initial evaluation or reevaluation.

117.23 (b) A parent, after consulting with health care, education, or other professional
117.24 providers, may agree or disagree to provide the parent's child with sympathomimetic
117.25 medications unless section 144.344 applies.

117.26 **Subd. 6. Dispute resolution processes; generally.** Parties are encouraged to
117.27 resolve disputes over the identification, evaluation, educational placement, manifestation
117.28 determination, interim alternative educational placement, or the provision of a free
117.29 appropriate public education to a child with a disability through conciliation, mediation,
117.30 facilitated team meetings, or other alternative process. All dispute resolution options are
117.31 voluntary on the part of the parent and must not be used to deny or delay the right to a
117.32 due process hearing. All dispute resolution processes under this section are provided
117.33 at no cost to the parent.

117.34 **Subd. 7. Conciliation conference.** A parent must have an opportunity to meet
117.35 with appropriate district staff in at least one conciliation conference if the parent objects

118.1 to any proposal of which the parent receives notice under subdivision ~~2~~ 3a. ~~If the parent~~
 118.2 ~~refuses district efforts to conciliate the dispute, the conciliation requirement is satisfied.~~
 118.3 ~~Following a conciliation conference~~ A district must hold a conciliation conference within
 118.4 ten calendar days from the date the district receives a parent's objection to a proposal or
 118.5 refusal in the prior written notice. Except as provided in this section, all discussions held
 118.6 during a conciliation conference are confidential and are not admissible in a due process
 118.7 hearing. Within five school days after the final conciliation conference, the district must
 118.8 prepare and provide to the parent a conciliation conference memorandum that describes
 118.9 the district's final proposed offer of service. This memorandum is admissible in evidence
 118.10 in any subsequent proceeding.

118.11 Subd. 8. **Voluntary dispute resolution options.** In addition to offering at least
 118.12 one conciliation conference, a district must inform a parent of other dispute resolution
 118.13 processes, including at least mediation and facilitated team meetings. The fact that
 118.14 an alternative dispute resolution process was used is admissible in evidence at any
 118.15 subsequent proceeding. State-provided mediators and team meeting facilitators shall not
 118.16 be subpoenaed to testify at a due process hearing or civil action under federal special
 118.17 education law nor are any records of mediators or state-provided team meeting facilitators
 118.18 accessible to the parties.

118.19 Subd. 9. **Mediation.** Mediation is a dispute resolution process that involves a
 118.20 neutral party provided by the state to assist a parent and a district in resolving disputes
 118.21 over the identification, evaluation, educational placement, manifestation determination,
 118.22 interim alternative educational placement, or the provision of a free appropriate public
 118.23 education to a child with a disability. A mediation process is available as an informal
 118.24 alternative to a due process hearing but must not be used to deny or postpone the
 118.25 opportunity of a parent or district to obtain a due process hearing. Mediation is voluntary
 118.26 for all parties. All mediation discussions are confidential and inadmissible in evidence
 118.27 in any subsequent proceeding, unless the:

- 118.28 (1) parties expressly agree otherwise;
- 118.29 (2) evidence is otherwise available; or
- 118.30 (3) evidence is offered to prove bias or prejudice of a witness.

118.31 Subd. 10. **Mediated agreements.** ~~Mediated agreements are not admissible unless~~
 118.32 ~~the parties agree otherwise or a party to the agreement believes the agreement is not being~~
 118.33 ~~implemented, in which case the aggrieved party may enter the agreement into evidence at~~
 118.34 ~~a due process hearing. The parties may request another mediation to resolve a dispute over~~
 118.35 ~~implementing the mediated agreement. After a due process hearing is requested, a party~~

119.1 ~~may request mediation and the commissioner must provide a mediator who conducts a~~
119.2 ~~mediation session no later than the third business day after the mediation request is made~~
119.3 ~~to the commissioner.~~ If the parties resolve all or a portion of the dispute, or agree to use
119.4 another procedure to resolve the dispute, the mediator shall ensure that the resolution
119.5 or agreement is in writing and signed by the parties and each party is given a copy of
119.6 the document. The written resolution or agreement shall state that all discussions that
119.7 occurred during mediation are confidential and may not be used as evidence in any hearing
119.8 or civil proceeding. The resolution or agreement is legally binding upon the parties and is
119.9 enforceable in the state or federal district court. A party may request another mediation to
119.10 resolve a dispute over implementing the mediated agreement.

119.11 Subd. 11. **Facilitated team meeting.** A facilitated team meeting is an IEP, IFSP,
119.12 or IIP team meeting led by an impartial state-provided facilitator to promote effective
119.13 communication and assist a team in developing an individualized education plan.

119.14 Subd. 12. **Impartial due process hearing.** ~~(a)~~ A parent or a district is entitled to
119.15 an impartial due process hearing conducted by the state when a dispute arises over the
119.16 identification, evaluation, educational placement, manifestation determination, interim
119.17 alternative educational placement, or the provision of a free appropriate public education
119.18 to a child with a disability. The hearing must be held in the district responsible for
119.19 ensuring that a free appropriate public education is provided according to state and federal
119.20 law. The proceedings must be recorded and preserved, at state expense, pending ultimate
119.21 disposition of the action. The parent and the district shall receive, at state expense, a copy
119.22 of the hearing transcript or recording and the hearing officer's findings of fact, conclusion
119.23 of law, and decisions.

119.24 ~~(b) The due process hearing must be conducted according to the rules of the~~
119.25 ~~commissioner and federal law.~~

119.26 Subd. 13. **Hearing officer qualifications.** ~~The commissioner must appoint an~~
119.27 ~~individual who is qualified under this subdivision to serve as a hearing officer.~~ The
119.28 commissioner shall maintain a list of qualified hearing officers. The list shall include a
119.29 statement of the qualifications of each person listed. Upon receipt of a written request
119.30 for a hearing, the commissioner shall appoint a hearing officer from the list. The hearing
119.31 officer must:

119.32 (1) be knowledgeable and impartial;

119.33 (2) have no personal interest in or specific involvement with the student who is a
119.34 party to the hearing;

120.1 (3) not have been employed as an administrator by the district that is a party to
120.2 the hearing;

120.3 (4) not have been involved in selecting the district administrator who is a party
120.4 to the hearing;

120.5 (5) have no personal, economic, or professional interest in the outcome of the
120.6 hearing other than properly administering federal and state laws, rules, and policies;

120.7 (6) have no substantial involvement in developing state or local policies or
120.8 procedures challenged in the hearing;

120.9 (7) not be a current employee or board member of a Minnesota public school district,
120.10 education district, intermediate unit or regional education agency, or the department if
120.11 the department is the service provider; ~~and~~

120.12 (8) not be a current employee or board member of a disability advocacy organization
120.13 or group;

120.14 (9) not otherwise be under contract with the department or the school district;

120.15 (10) know and understand state and federal special education laws, rules, and
120.16 regulations, and legal interpretations by federal and state courts; and

120.17 (11) have the knowledge and ability to conduct hearings and render and write
120.18 decisions according to appropriate, standard legal practice.

120.19 Subd. 14. **Request for hearing.** ~~A request for a due process hearing must:~~

120.20 ~~(1) be in writing;~~

120.21 ~~(2) describe the nature of the dispute about providing special education services to~~
120.22 ~~the student including facts relating to the dispute; and~~

120.23 ~~(3) state, to the extent known, the relief sought.~~

120.24 ~~Any school district administrator receiving a request for a due process hearing~~
120.25 ~~must immediately forward the request to the commissioner. Within two business days of~~
120.26 ~~receiving a request for a due process hearing, the commissioner must appoint a hearing~~
120.27 ~~officer. The commissioner must not deny a request for hearing because the request~~
120.28 ~~is incomplete. A party may disqualify a hearing officer only by affirmatively showing~~
120.29 ~~prejudice or bias to the commissioner or to the chief administrative law judge if the hearing~~
120.30 ~~officer is an administrative law judge. If a party affirmatively shows prejudice against a~~
120.31 ~~hearing officer, the commissioner must assign another hearing officer to hear the matter. (a)~~
120.32 A parent or a school district may file a written request for a due process hearing regarding
120.33 a proposal or refusal to initiate or change that child's evaluation, individualized education
120.34 program, or educational placement, or to provide a free appropriate public education.

120.35 (b) The parent shall include in the hearing request the name of the child, the address
120.36 of the child's residence, the name of the school the child attends, a description of the

121.1 child's problem relating to the proposed or refused initiation or change, including facts
121.2 relating to the problem, and a proposed resolution of the problem to the extent known
121.3 and available to the parents at the time.

121.4 (c) A parent or a school district may file a written request for a hearing under United
121.5 States Code, title 20, section 1415, paragraph (k).

121.6 (d) A parent or school district filing a request for a hearing under this subdivision
121.7 must provide the request to the other party and a copy of the request to the department.
121.8 Upon receiving a request for a hearing, the department shall give to the child's parent a
121.9 copy of the procedural safeguards notice available to a parent under federal regulations.

121.10 (e)(1) If the parent of a child with a disability files a written request for a hearing,
121.11 and the school district has not previously sent a written notice to the parent under
121.12 subdivision 3a, regarding the subject matter of the hearing request, the school district
121.13 shall, within ten days of receiving the hearing request, send to the child's parent a written
121.14 explanation of why the school district proposed or refused to take the action raised in the
121.15 hearing request. The explanation must include a description of other options that the
121.16 individualized education program team considered and the reason why those options were
121.17 rejected; a description of each evaluation procedure, assessment, record, or report that the
121.18 school district used as the basis for the proposed or refused action; and a description of the
121.19 factors that are relevant to the school district's proposal or refusal. A response by a school
121.20 district under this subdivision does not preclude the school district from asserting that the
121.21 parent's request for a hearing is insufficient under clause (2) of this paragraph; and

121.22 (2) a hearing may not occur until the party requesting the hearing files a request that
121.23 meets the requirements of paragraph (b). The request under paragraph (b) is considered
121.24 sufficient unless the party receiving the request notifies the hearing officer and the other
121.25 party in writing within 15 days of receiving the request that the receiving party believes
121.26 the request does not meet the requirements of paragraph (b). Within five days of receiving
121.27 a notice under this subdivision, the hearing officer shall determine whether the request
121.28 meets the requirements under paragraph (b) and notify the parties.

121.29 (f) Except as provided in paragraph (e), clause (1), the party receiving a request for a
121.30 hearing shall send to the party requesting the hearing a written response that addresses the
121.31 issues raised in the hearing request within ten days of receiving the request.

121.32 Subd. 15. **Prehearing conference.** A prehearing conference must be held within
121.33 five business days of the date the commissioner appoints the hearing officer. The hearing
121.34 officer must initiate the prehearing conference which may be conducted in person, at a
121.35 location within the district, or by telephone. The hearing officer must create a written

122.1 verbatim record of the prehearing conference which is available to either party upon
122.2 request. At the prehearing conference, the hearing officer must:

122.3 (1) identify the questions that must be answered to resolve the dispute and eliminate
122.4 claims and complaints that are without merit;

122.5 (2) set a scheduling order for the hearing and additional prehearing activities;

122.6 (3) determine if the hearing can be disposed of without an evidentiary hearing and, if
122.7 so, establish the schedule and procedure for doing so; and

122.8 (4) establish the management, control, and location of the hearing to ensure its fair,
122.9 efficient, and effective disposition.

122.10 Subd. 16. **Burden of proof.** The burden of proof at a due process hearing is on the
122.11 ~~district to demonstrate, by a preponderance of the evidence, that it is complying with the~~
122.12 ~~law and offered or provided a free appropriate public education to the child in the least~~
122.13 ~~restrictive environment. If the district has not offered or provided a free appropriate public~~
122.14 ~~education in the least restrictive environment and the parent wants the district to pay for a~~
122.15 ~~private placement, the burden of proof is on the parent to demonstrate, by a preponderance~~
122.16 ~~of the evidence, that the private placement is appropriate party seeking relief.~~

122.17 Subd. 17. **Admissible evidence.** The hearing officer may admit all evidence
122.18 that possesses probative value, including hearsay, if it is the type of evidence on which
122.19 reasonable, prudent persons are accustomed to rely in conducting their serious affairs. The
122.20 hearing officer must give effect to the rules of privilege recognized by law and exclude
122.21 evidence that is incompetent, irrelevant, immaterial, or unduly repetitious.

122.22 Subd. 18. **Hearing officer authority.** (a) A hearing officer must limit an impartial
122.23 due process hearing to the time sufficient for each party to present its case.

122.24 (b) A hearing officer must establish and maintain control and manage the hearing.

122.25 This authority includes, but is not limited to:

122.26 (1) requiring attorneys representing parties at the hearing, after notice and an
122.27 opportunity to be heard, to pay court reporting and hearing officer costs, or fines payable
122.28 to the state, for failing to: (i) obey scheduling or prehearing orders, (ii) appear, (iii) be
122.29 prepared, or (iv) participate in the hearing process in good faith;

122.30 (2) administering oaths and affirmations;

122.31 (3) issuing subpoenas;

122.32 (4) determining the responsible and providing districts and joining those districts, if
122.33 not already notified, in the proceedings;

123.1 (5) making decisions involving identification, evaluation, educational placement,
123.2 manifestation determination, interim alternative educational placement, or the provision of
123.3 a free appropriate public education to a child with a disability; ~~and~~

123.4 (6) ordering an independent educational evaluation of a child at district expense; and

123.5 (7) extending the hearing decision timeline if the hearing officer determines that
123.6 good cause exists.

123.7 (c) Good cause includes, but is not limited to, the time required for mediation or
123.8 other settlement discussions, independent educational evaluation, complexity and volume
123.9 of issues, or finding or changing counsel.

123.10 Subd. 19. **Expedited due process hearings.** Consistent with federal law, a parent
123.11 ~~has the right to~~ or a school district may file a written request for an expedited due process
123.12 ~~hearing when there is a dispute over a manifestation determination or a proposed or actual~~
123.13 ~~placement in an interim alternative educational setting. A district has the right to an~~
123.14 ~~expedited due process hearing when proposing or seeking to maintain placement in an~~
123.15 ~~interim alternative educational setting. A hearing officer must hold an expedited due~~
123.16 ~~process hearing~~ within 20 school days of the date the expedited due process request is
123.17 filed and must issue a decision within ten calendar school days of after the request for a
123.18 ~~hearing. A hearing officer may extend by up to five additional calendar days the time for~~
123.19 ~~issuing a decision in an expedited due process hearing. All policies in this section apply~~
123.20 ~~to expedited due process hearings to the extent they do not conflict with federal law. A~~
123.21 resolution meeting must occur within seven days of receiving the request for an expedited
123.22 due process hearing unless the parent and the school district agree in writing either to
123.23 waive the resolution meeting or use the mediation process. The expedited due process
123.24 hearing may proceed unless the matter has been resolved to the satisfaction of both parties
123.25 within 15 days of receiving the expedited due process hearing request.

123.26 Subd. 20. **Hearing officer's decision; time period.** (a) The hearing officer must
123.27 ~~issue a decision within 45 calendar days of the date on which the commissioner receives~~
123.28 ~~the request for a due process hearing~~ ensure that not later than 45 days after the 30-day
123.29 period or the adjusted time periods under federal regulations expire, the hearing officer
123.30 reaches a final decision in the due process hearing and transmits a copy of the decision to
123.31 each party. A hearing officer, at the request of either party, may grant specific extensions
123.32 of time beyond the 45-day period under subdivision 18. The hearing officer must conduct
123.33 the oral arguments in a hearing at a time and place that is reasonably convenient to the
123.34 parents and child involved. A hearing officer is encouraged to accelerate the time line to
123.35 30 days for a child under the age of three whose needs change rapidly and who requires
123.36 quick resolution of a dispute. ~~A hearing officer may not extend the time beyond the 45-day~~

124.1 ~~period unless requested by either party for good cause shown on the record. Extensions~~
124.2 ~~of time must not exceed a total of 30 calendar days unless both parties and the hearing~~
124.3 ~~officer agree or time is needed to complete an independent educational evaluation. Good~~
124.4 ~~cause includes, but is not limited to, the time required for mediation or other settlement~~
124.5 ~~discussions, independent educational evaluation, complexity and volume of issues, or~~
124.6 ~~finding or changing counsel.~~

124.7 ~~(b) The hearing officer's decision must:~~ Once the hearing officer has issued a final
124.8 decision, the hearing officer lacks authority to amend the decision except for clerical
124.9 or mathematical errors.

124.10 (c) Nothing in this subdivision precludes a hearing officer from ordering a school
124.11 district to comply with federal procedural safeguards under the federal Individuals with
124.12 Disabilities Education Act.

124.13 ~~(1) be in writing;~~

124.14 ~~(2) state the controlling and material facts upon which the decision is made in order~~
124.15 ~~to apprise the reader of the basis and reason for the decision; and~~

124.16 ~~(3) be based on local standards, state statute, the rules of the commissioner, and~~
124.17 ~~federal law.~~

124.18 Subd. 21. **Compensatory educational services.** The hearing officer may require
124.19 the resident or responsible district to provide compensatory educational services to the
124.20 child if the hearing officer finds that the district has not offered or made available to
124.21 the child a free appropriate public education in the least restrictive environment and the
124.22 child suffered a loss of educational benefit. Such services take the form of direct and
124.23 indirect special education and related services designed to address any loss of educational
124.24 benefit that may have occurred. The hearing officer's finding must be based on a present
124.25 determination of whether the child has suffered a loss of educational benefit.

124.26 ~~Subd. 22. **Child's educational placement during due process hearing.** (a) Until a~~
124.27 ~~due process hearing under this section is completed or the district and the parent agree~~
124.28 ~~otherwise, the child must remain in the child's current educational placement and must~~
124.29 ~~not be denied initial admission to school.~~

124.30 ~~(b) Until an expedited due process hearing challenging an interim alternative~~
124.31 ~~educational placement is completed, the child must remain in the interim alternative~~
124.32 ~~educational setting until the decision of the hearing officer or the expiration of the 45 days~~
124.33 ~~permitted for an interim alternative educational setting, whichever occurs first, unless the~~
124.34 ~~parent and district agree otherwise.~~

125.1 ~~Subd. 23. **Implementation of hearing officer order.** (a) That portion of a hearing~~
125.2 ~~officer's decision granting relief requested by the parent must be implemented upon~~
125.3 ~~issuance.~~

125.4 ~~(b) Except as provided under paragraph (a) or the district and parent agree otherwise,~~
125.5 ~~following a hearing officer's decision granting relief requested by the district, the child~~
125.6 ~~must remain in the current educational placement until the time to request judicial review~~
125.7 ~~under subdivision 24 expires or, if judicial review is requested, at the time the Minnesota~~
125.8 ~~Court of Appeals or the federal district court issues its decision, whichever is later.~~

125.9 Subd. 24. **Review of hearing officer decisions.** The parent or district may seek
125.10 review of the hearing officer's decision in the Minnesota Court of Appeals or in the federal
125.11 district court, ~~consistent with federal law.~~ A party must appeal to the Minnesota Court
125.12 of Appeals within 60 days of receiving the hearing officer's decision or must appeal to
125.13 federal district court within 90 days of receiving the hearing officer's decision.

125.14 Subd. 25. **Enforcement of orders.** The commissioner must monitor final hearing
125.15 officer decisions and ensure enforcement of hearing officer ~~orders~~ decisions.

125.16 Subd. 26. **Hearing officer and person conducting alternative dispute resolution**
125.17 **are state employees.** A hearing officer or person conducting alternative dispute resolution
125.18 under this section is an employee of the state under section 3.732 for purposes of section
125.19 3.736 only.

125.20 Subd. 27. **Hearing officer training.** A hearing officer must participate in training
125.21 ~~and follow procedures established~~ offered by the commissioner.

125.22 Subd. 28. **District liability.** A district is not liable for harmless technical violations
125.23 ~~of this section or rules implementing this section~~ federal or state laws, rules, or regulations
125.24 governing special education if the school district can demonstrate ~~on a case-by-case basis~~
125.25 that the violations did not harm a student's educational progress or the parent's right to
125.26 notice, participation, or due process. This subdivision is applicable to due process hearings
125.27 and special education complaints filed with the department.

125.28 Sec. 9. **[125A.094] RESTRICTIVE PROCEDURES FOR CHILDREN WITH**
125.29 **DISABILITIES.**

125.30 The use of restrictive procedures for children with disabilities is governed by
125.31 sections 125A.0941 and 125A.0942.

125.32 **EFFECTIVE DATE.** This section is effective August 1, 2011.

125.33 Sec. 10. **[125A.0941] DEFINITIONS.**

- 126.1 (a) The following terms have the meanings given them.
- 126.2 (b) "Emergency" means a situation where immediate intervention is needed to protect
- 126.3 a child or other individual from physical injury or to prevent serious property damage.
- 126.4 (c) "Physical holding" means physical intervention intended to hold a child immobile
- 126.5 or limit a child's movement and where body contact is the only source of physical restraint.
- 126.6 The term physical holding does not mean physical contact that:
- 126.7 (1) helps a child respond or complete a task;
- 126.8 (2) assists a child without restricting the child's movement;
- 126.9 (3) is needed to administer an authorized health-related service or procedure; or
- 126.10 (4) is needed to physically escort a child when the child does not resist or the child's
- 126.11 resistance is minimal.
- 126.12 (d) "Positive behavioral interventions and supports" means interventions and
- 126.13 strategies to improve the school environment and teach children the skills to behave
- 126.14 appropriately.
- 126.15 (e) "Restrictive procedures" means the use of physical holding or seclusion in an
- 126.16 emergency.
- 126.17 (f) "Seclusion" means confining a child alone in a room from which egress is barred.
- 126.18 Removing a child from an activity to a location where the child cannot participate in or
- 126.19 observe the activity is not seclusion.

126.20 **EFFECTIVE DATE.** This section is effective August 1, 2011.

126.21 **Sec. 11. [125A.0942] STANDARDS FOR RESTRICTIVE PROCEDURES.**

126.22 Subdivision 1. **Restrictive procedures plan.** Schools that intend to use restrictive

126.23 procedures shall maintain and make publicly accessible a restrictive procedures plan for

126.24 children that includes at least the following:

- 126.25 (1) the list of restrictive procedures the school intends to use;
- 126.26 (2) how the school will monitor and review the use of restrictive procedures,
- 126.27 including conducting post-use debriefings and convening an oversight committee; and
- 126.28 (3) a written description and documentation of the training staff completed under
- 126.29 subdivision 5.

126.30 Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only

126.31 by a licensed special education teacher, school social worker, school psychologist,

126.32 behavior analyst certified by the National Behavior Analyst Certification Board, a person

126.33 with a master's degree in behavior analysis, other licensed education professional,

126.34 paraprofessional under section 120B.363, or mental health professional under section

126.35 245.4871, subdivision 27, who has completed the training program under subdivision 5.

127.1 (b) A school shall make reasonable efforts to notify the parent on the same day a
127.2 restrictive procedure is used on the child, or if the school is unable to provide same-day
127.3 notice, notice is sent within two days by written or electronic means or as otherwise
127.4 indicated by the child's parent under paragraph (d).

127.5 (c) When restrictive procedures are used twice in 30 days or when a pattern emerges
127.6 and restrictive procedures are not included in a child's individualized education program or
127.7 behavior intervention plan, the district must hold a meeting of the individualized education
127.8 plan team, conduct or review a functional behavioral analysis, review data, consider
127.9 developing additional or revised positive behavioral interventions and supports, consider
127.10 actions to reduce the use of restrictive procedures, and modify the individualized education
127.11 plan or behavior intervention plan as appropriate. At the meeting, the team must review
127.12 any known medical or psychological limitations that contraindicate the use of a restrictive
127.13 procedure, consider whether to prohibit that restrictive procedure, and document any
127.14 prohibition in the individualized education program or behavior intervention plan.

127.15 (d) An individualized education plan team may plan for using restrictive procedures
127.16 and may include these procedures in a child's individualized education program or
127.17 behavior intervention plan; however, the restrictive procedures may be used only in
127.18 response to behavior that constitutes an emergency, consistent with this section. The
127.19 individualized education program or behavior intervention plan shall indicate how the
127.20 parent wants to be notified when a restrictive procedure is used.

127.21 Subd. 3. **Physical holding or seclusion.** Physical holding or seclusion may be used
127.22 only in an emergency. A school that uses physical holding or seclusion shall meet the
127.23 following requirements:

127.24 (1) the physical holding or seclusion must be the least intrusive intervention that
127.25 effectively responds to the emergency;

127.26 (2) physical holding or seclusion must end when the threat of harm ends and the
127.27 staff determines that the child can safely return to the classroom or activity;

127.28 (3) staff must directly observe the child while physical holding or seclusion is being
127.29 used;

127.30 (4) each time physical holding or seclusion is used, the staff person who implements
127.31 or oversees the physical holding or seclusion shall document, as soon as possible after the
127.32 incident concludes, the following information:

127.33 (i) a description of the incident that led to the physical holding or seclusion;

127.34 (ii) why a less restrictive measure failed or was determined by staff to be
127.35 inappropriate or impractical;

- 128.1 (iii) the time the physical holding or seclusion began and the time the child was
128.2 released; and
- 128.3 (iv) a brief record of the child's behavioral and physical status;
128.4 (5) the room used for seclusion must:
- 128.5 (i) be at least six feet by five feet;
128.6 (ii) be well lit, well ventilated, adequately heated, and clean;
128.7 (iii) have a window that allows staff to directly observe a child in seclusion;
128.8 (iv) have tamperproof fixtures, electrical switches located immediately outside the
128.9 door, and secure ceilings;
- 128.10 (v) have doors that open out and are unlocked, locked with keyless locks that
128.11 have immediate release mechanisms, or locked with locks that have immediate release
128.12 mechanisms connected with a fire and emergency system; and
- 128.13 (vi) not contain objects that a child may use to injure the child or others; and
128.14 (6) before using a room for seclusion, a school must:
- 128.15 (i) receive written notice from local authorities that the room and the locking
128.16 mechanisms comply with applicable building, fire, and safety codes; and
128.17 (ii) register the room with the commissioner, who may view that room.
- 128.18 Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:
- 128.19 (1) engaging in conduct prohibited under section 121A.58;
128.20 (2) requiring a child to assume and maintain a specified physical position, activity,
128.21 or posture that induces physical pain;
- 128.22 (3) totally or partially restricting a child's senses as punishment;
128.23 (4) presenting an intense sound, light, or other sensory stimuli using smell, taste,
128.24 substance, or spray as punishment;
- 128.25 (5) denying or restricting a child's access to equipment and devices such as walkers,
128.26 wheelchairs, hearing aids, and communication boards that facilitate the child's functioning,
128.27 except when temporarily removing the equipment or device is needed to prevent injury
128.28 to the child or others or serious damage to the equipment or device, in which case the
128.29 equipment or device shall be returned to the child as soon as possible;
- 128.30 (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or
128.31 physical abuse under section 626.556;
- 128.32 (7) withholding regularly scheduled meals or water;
128.33 (8) denying access to bathroom facilities; and
128.34 (9) physical holding that restricts or impairs a child's ability to breathe.

129.1 Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1,
129.2 staff who use restrictive procedures shall complete training in the following skills and
129.3 knowledge areas:

129.4 (1) positive behavioral interventions;
129.5 (2) communicative intent of behaviors;
129.6 (3) relationship building;
129.7 (4) alternatives to restrictive procedures, including techniques to identify events and
129.8 environmental factors that may escalate behavior;
129.9 (5) de-escalation methods;
129.10 (6) standards for using restrictive procedures;
129.11 (7) obtaining emergency medical assistance;
129.12 (8) the physiological and psychological impact of physical holding and seclusion;
129.13 (9) monitoring and responding to a child's physical signs of distress when physical
129.14 holding is being used; and
129.15 (10) recognizing the symptoms of and interventions that may cause positional
129.16 asphyxia when physical holding is used.

129.17 (b) The commissioner, after consulting with the commissioner of human services,
129.18 must develop and maintain a list of training programs that satisfy the requirements of
129.19 paragraph (a). The district shall maintain records of staff who have been trained and the
129.20 organization or professional that conducted the training. The district may collaborate with
129.21 children's community mental health providers to coordinate trainings.

129.22 Subd. 6. **Behavior supports.** School districts are encouraged to establish effective
129.23 schoolwide systems of positive behavior interventions and supports. Nothing in this
129.24 section or section 125A.0941 precludes the use of reasonable force under sections
129.25 121A.582; 609.06, subdivision 1; and 609.379.

129.26 **EFFECTIVE DATE.** This section is effective August 1, 2011.

129.27 Sec. 12. Minnesota Statutes 2008, section 125A.15, is amended to read:

129.28 **125A.15 PLACEMENT IN ANOTHER DISTRICT; RESPONSIBILITY.**

129.29 The responsibility for special instruction and services for a child with a disability
129.30 temporarily placed in another district for care and treatment shall be determined in the
129.31 following manner:

129.32 (a) The district of residence of a child shall be the district in which the child's parent
129.33 resides, if living, or the child's guardian, or the district designated by the commissioner if
129.34 neither parent nor guardian is living within the state.

130.1 (b) If a district other than the resident district places a pupil for care and treatment,
 130.2 the district placing the pupil must notify and give the resident district an opportunity to
 130.3 participate in the placement decision. When an immediate emergency placement of a
 130.4 pupil is necessary and time constraints foreclose a resident district from participating in
 130.5 the emergency placement decision, the district in which the pupil is temporarily placed
 130.6 must notify the resident district of the emergency placement within 15 days. The resident
 130.7 district has up to five business days after receiving notice of the emergency placement
 130.8 to request an opportunity to participate in the placement decision, which the placing
 130.9 district must then provide.

130.10 (c) When a child is temporarily placed for care and treatment in a day program
 130.11 located in another district and the child continues to live within the district of residence
 130.12 during the care and treatment, the district of residence is responsible for providing
 130.13 transportation to and from the care and treatment ~~facility~~ program and an appropriate
 130.14 educational program for the child. The resident district may establish reasonable
 130.15 restrictions on transportation, except if a Minnesota court or agency orders the child
 130.16 placed at a day care and treatment program and the resident district receives a copy of
 130.17 the order, then the resident district must provide transportation to and from the program
 130.18 unless the court or agency orders otherwise. Transportation shall only be provided by the
 130.19 resident district during regular operating hours of the resident district. The resident district
 130.20 may provide the educational program at a school within the district of residence, at the
 130.21 child's residence, or in the district in which the day treatment center is located by paying
 130.22 tuition to that district.

130.23 ~~(e)~~ (d) When a child is temporarily placed in a residential program for care and
 130.24 treatment, the nonresident district in which the child is placed is responsible for providing
 130.25 an appropriate educational program for the child and necessary transportation while the
 130.26 child is attending the educational program; and must bill the district of the child's residence
 130.27 for the actual cost of providing the program, as outlined in section 125A.11, except as
 130.28 provided in paragraph ~~(d)~~ (e). However, the board, lodging, and treatment costs incurred
 130.29 in behalf of a child with a disability placed outside of the school district of residence by
 130.30 the commissioner of human services or the commissioner of corrections or their agents,
 130.31 for reasons other than providing for the child's special educational needs must not become
 130.32 the responsibility of either the district providing the instruction or the district of the child's
 130.33 residence. For the purposes of this section, the state correctional facilities operated on a
 130.34 fee-for-service basis are considered to be residential programs for care and treatment.

130.35 ~~(d)~~ (e) A privately owned and operated residential facility may enter into a contract
 130.36 to obtain appropriate educational programs for special education children and services

131.1 with a joint powers entity. The entity with which the private facility contracts for special
131.2 education services shall be the district responsible for providing students placed in that
131.3 facility an appropriate educational program in place of the district in which the facility is
131.4 located. If a privately owned and operated residential facility does not enter into a contract
131.5 under this paragraph, then paragraph ~~(e)~~ (d) applies.

131.6 ~~(e)~~ (f) The district of residence shall pay tuition and other program costs, not
131.7 including transportation costs, to the district providing the instruction and services.
131.8 The district of residence may claim general education aid for the child as provided by
131.9 law. Transportation costs must be paid by the district responsible for providing the
131.10 transportation and the state must pay transportation aid to that district.

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

131.12 Sec. 13. Minnesota Statutes 2008, section 125A.28, is amended to read:

131.13 **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

131.14 An Interagency Coordinating Council of at least 17, but not more than 25 members
131.15 is established, in compliance with Public Law 108-446, section 641. The members
131.16 must be appointed by the governor. Council members must elect the council chair. The
131.17 representative of the commissioner may not serve as the chair. The council must be
131.18 composed of at least five parents, including persons of color, of children with disabilities
131.19 under age 12, including at least three parents of a child with a disability under age seven,
131.20 five representatives of public or private providers of services for children with disabilities
131.21 under age five, including a special education director, county social service director,
131.22 local Head Start director, and a community health services or public health nursing
131.23 administrator, one member of the senate, one member of the house of representatives, one
131.24 representative of teacher preparation programs in early childhood-special education or
131.25 other preparation programs in early childhood intervention, at least one representative of
131.26 advocacy organizations for children with disabilities under age five, one physician who
131.27 cares for young children with special health care needs, one representative each from the
131.28 commissioners of commerce, education, health, human services, a representative from the
131.29 state agency responsible for child care, foster care, mental health, homeless coordinator
131.30 of education of homeless children and youth, and a representative from Indian health
131.31 services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council.
131.32 The council must meet at least quarterly.

131.33 The council must address methods of implementing the state policy of developing
131.34 and implementing comprehensive, coordinated, multidisciplinary interagency programs of
131.35 early intervention services for children with disabilities and their families.

132.1 The duties of the council include recommending policies to ensure a comprehensive
132.2 and coordinated system of all state and local agency services for children under age five
132.3 with disabilities and their families. The policies must address how to incorporate each
132.4 agency's services into a unified state and local system of multidisciplinary assessment
132.5 practices, individual intervention plans, comprehensive systems to find children in need of
132.6 services, methods to improve public awareness, and assistance in determining the role of
132.7 interagency early intervention committees.

132.8 On the date that Minnesota Part C Annual Performance Report is submitted to the
132.9 federal Office of Special Education, the council must recommend to the governor and the
132.10 commissioners of education, health, human services, commerce, and employment and
132.11 economic development policies for a comprehensive and coordinated system.

132.12 Notwithstanding any other law to the contrary, the State Interagency Coordinating
132.13 Council expires on June 30, ~~2009~~ 2014.

132.14 Sec. 14. Minnesota Statutes 2008, section 125A.51, is amended to read:

132.15 **125A.51 PLACEMENT OF CHILDREN WITHOUT DISABILITIES;**
132.16 **EDUCATION AND TRANSPORTATION.**

132.17 The responsibility for providing instruction and transportation for a pupil without a
132.18 disability who has a short-term or temporary physical or emotional illness or disability, as
132.19 determined by the standards of the commissioner, and who is temporarily placed for care
132.20 and treatment for that illness or disability, must be determined as provided in this section.

132.21 (a) The school district of residence of the pupil is the district in which the pupil's
132.22 parent or guardian resides.

132.23 (b) When parental rights have been terminated by court order, the legal residence
132.24 of a child placed in a residential or foster facility for care and treatment is the district in
132.25 which the child resides.

132.26 (c) Before the placement of a pupil for care and treatment, the district of residence
132.27 must be notified and provided an opportunity to participate in the placement decision.

132.28 When an immediate emergency placement is necessary and time does not permit
132.29 resident district participation in the placement decision, the district in which the pupil is
132.30 temporarily placed, if different from the district of residence, must notify the district
132.31 of residence of the emergency placement within 15 days of the placement. When a
132.32 nonresident district makes an emergency placement without first consulting with the
132.33 resident district, the resident district has up to five business days after receiving notice
132.34 of the emergency placement to request an opportunity to participate in the placement
132.35 decision, which the placing district must then provide.

133.1 (d) When a pupil without a disability is temporarily placed for care and treatment
133.2 in a day program and the pupil continues to live within the district of residence during
133.3 the care and treatment, the district of residence must provide instruction and necessary
133.4 transportation to and from the care and treatment facility program for the pupil. The
133.5 resident district may establish reasonable restrictions on transportation, except if a
133.6 Minnesota court or agency orders the child placed at a day care and treatment program
133.7 and the resident district receives a copy of the order, then the resident district must provide
133.8 transportation to and from the program unless the court or agency orders otherwise.
133.9 Transportation shall only be provided by the resident district during regular operating
133.10 hours of the resident district. The resident district may provide the instruction at a school
133.11 within the district of residence, at the pupil's residence, or in the case of a placement
133.12 outside of the resident district, in the district in which the day treatment program is located
133.13 by paying tuition to that district. The district of placement may contract with a facility to
133.14 provide instruction by teachers licensed by the state Board of Teaching.

133.15 (e) When a pupil without a disability is temporarily placed in a residential program
133.16 for care and treatment, the district in which the pupil is placed must provide instruction
133.17 for the pupil and necessary transportation while the pupil is receiving instruction, and in
133.18 the case of a placement outside of the district of residence, the nonresident district must
133.19 bill the district of residence for the actual cost of providing the instruction for the regular
133.20 school year and for summer school, excluding transportation costs.

133.21 (f) Notwithstanding paragraph (e), if the pupil is homeless and placed in a public or
133.22 private homeless shelter, then the district that enrolls the pupil under section 127A.47,
133.23 subdivision 2, shall provide the transportation, unless the district that enrolls the pupil
133.24 and the district in which the pupil is temporarily placed agree that the district in which
133.25 the pupil is temporarily placed shall provide transportation. When a pupil without a
133.26 disability is temporarily placed in a residential program outside the district of residence,
133.27 the administrator of the court placing the pupil must send timely written notice of the
133.28 placement to the district of residence. The district of placement may contract with a
133.29 residential facility to provide instruction by teachers licensed by the state Board of
133.30 Teaching. For purposes of this section, the state correctional facilities operated on a
133.31 fee-for-service basis are considered to be residential programs for care and treatment.

133.32 (g) The district of residence must include the pupil in its residence count of pupil
133.33 units and pay tuition as provided in section 123A.488 to the district providing the
133.34 instruction. Transportation costs must be paid by the district providing the transportation
133.35 and the state must pay transportation aid to that district. For purposes of computing state
133.36 transportation aid, pupils governed by this subdivision must be included in the disabled

134.1 transportation category if the pupils cannot be transported on a regular school bus route
134.2 without special accommodations.

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

134.4 Sec. 15. Minnesota Statutes 2008, section 125A.57, subdivision 2, is amended to read:

134.5 Subd. 2. **Assistive technology device.** "Assistive technology device" means any
134.6 item, piece of equipment, ~~software~~, or product system, whether acquired commercially
134.7 off the shelf, modified, or customized, that is used to increase, maintain, or improve
134.8 functional capabilities of ~~children with disabilities~~ a child with a disability. It does not
134.9 mean a medical device that is surgically implanted or a replacement of such a device.

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

134.11 Sec. 16. Minnesota Statutes 2008, section 125A.63, subdivision 2, is amended to read:

134.12 Subd. 2. **Programs.** The resource centers must offer summer institutes ~~and like~~
134.13 ~~programs~~ or other training programs throughout the state for deaf or ~~hard-of-hearing~~
134.14 hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The resource
134.15 centers must also offer workshops for teachers, and leadership development for teachers.

134.16 A program offered through the resource centers must promote and develop education
134.17 programs offered by school districts or other organizations. The program must assist
134.18 school districts or other organizations to develop innovative programs.

134.19 Sec. 17. Minnesota Statutes 2008, section 125A.63, subdivision 4, is amended to read:

134.20 Subd. 4. **Advisory committees.** (a) The commissioner shall establish an
134.21 advisory committee for each resource center. The advisory committees shall develop
134.22 recommendations regarding the resource centers and submit an annual report to the
134.23 commissioner on the form and in the manner prescribed by the commissioner.

134.24 (b) The advisory committee for the Resource Center for the Deaf and Hard of
134.25 Hearing shall meet periodically at least four times per year and submit an annual report
134.26 to the commissioner, the education policy and finance committees of the legislature,
134.27 and the Commission of Deaf, DeafBlind, and Hard of Hearing Minnesotans. The report
134.28 must, at least:

134.29 (1) identify and report the aggregate, data-based education outcomes for children
134.30 with the primary disability classification of deaf and hard of hearing, consistent with
134.31 the commissioner's child count reporting practices, the commissioner's state and local
134.32 outcome data reporting system by district and region, and the school performance report
134.33 cards under section 120B.36, subdivision 1; and

135.1 (2) describe the implementation of a data-based plan for improving the education
135.2 outcomes of deaf and hard of hearing children that is premised on evidence-based best
135.3 practices, and provide a cost estimate for ongoing implementation of the plan.

135.4 Sec. 18. Minnesota Statutes 2008, section 125A.744, subdivision 3, is amended to read:

135.5 Subd. 3. **Implementation.** Consistent with section 256B.0625, subdivision 26,
135.6 school districts may enroll as medical assistance providers or subcontractors and bill
135.7 the Department of Human Services under the medical assistance fee for service claims
135.8 processing system for special education services which are covered services under chapter
135.9 256B, which are provided in the school setting for a medical assistance recipient, and for
135.10 whom the district has secured informed consent consistent with section 13.05, subdivision
135.11 4, paragraph (d), and section 256B.77, subdivision 2, paragraph (p), to bill for each type
135.12 of covered service. School districts shall be reimbursed by the commissioner of human
135.13 services for the federal share of individual education plan health-related services that
135.14 qualify for reimbursement by medical assistance, minus up to five percent retained by
135.15 the commissioner of human services for administrative costs, not to exceed ~~\$350,000~~
135.16 \$450,000 per fiscal year. The commissioner may withhold up to five percent of each
135.17 payment to a school district. Following the end of each fiscal year, the commissioner shall
135.18 settle up with each school district in order to ensure that collections from each district
135.19 for departmental administrative costs are made on a pro rata basis according to federal
135.20 earnings for these services in each district. A school district is not eligible to enroll as
135.21 a home care provider or a personal care provider organization for purposes of billing
135.22 home care services under sections 256B.0651 and 256B.0653 to 256B.0656 until the
135.23 commissioner of human services issues a bulletin instructing county public health nurses
135.24 on how to assess for the needs of eligible recipients during school hours. To use private
135.25 duty nursing services or personal care services at school, the recipient or responsible party
135.26 must provide written authorization in the care plan identifying the chosen provider and the
135.27 daily amount of services to be used at school.

135.28 Sec. 19. Minnesota Statutes 2008, section 125A.76, subdivision 1, is amended to read:

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

135.31 (a) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.
135.32 For the purposes of computing basic revenue pursuant to this section, each child with a
135.33 disability shall be counted as prescribed in section 126C.05, subdivision 1.

136.1 (b) "Essential personnel" means teachers, cultural liaisons, related services, and
136.2 support services staff providing ~~direct~~ services to students. Essential personnel may also
136.3 include special education paraprofessionals or clericals providing support to teachers and
136.4 students by preparing paperwork and making arrangements related to special education
136.5 compliance requirements, including parent meetings and individual education plans.
136.6 Essential personnel does not include administrators and supervisors.

136.7 (c) "Average daily membership" has the meaning given it in section 126C.05.

136.8 (d) "Program growth factor" means 1.046 for fiscal year 2012 and later.

136.9 Sec. 20. Minnesota Statutes 2008, section 127A.47, subdivision 5, is amended to read:

136.10 Subd. 5. **Notification of resident district.** A district educating a pupil who is
136.11 a resident of another district must notify the district of residence within 60 days of the
136.12 date the pupil is determined by the district to be a nonresident, but not later than August
136.13 1 following the end of the school year in which the pupil is educated. ~~If the district of~~
136.14 ~~residence does not receive a notification from the providing district pursuant to this~~
136.15 ~~subdivision, it is not liable to that district for any tuition billing received after August 1~~
136.16 ~~of the next school year.~~

136.17 Sec. 21. **APPROPRIATIONS.**

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

136.21 Subd. 2. Special education; regular. For special education aid under Minnesota
136.22 Statutes, section 125A.75:

136.23 \$ 734,071,000 2010

136.24 \$ 781,497,000 2011

136.25 The 2010 appropriation includes \$71,947,000 for 2009 and \$662,124,000 for 2010.

136.26 The 2011 appropriation includes \$73,569,000 for 2010 and \$707,928,000 for 2011.

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

136.30 \$ 1,717,000 2010

136.31 \$ 1,895,000 2011

137.1 If the appropriation for either year is insufficient, the appropriation for the other
137.2 year is available.

137.3 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
137.4 services under Minnesota Statutes, section 125A.75, subdivision 1:

137.5 \$ 258,000 2010

137.6 \$ 282,000 2011

137.7 The 2010 appropriation includes \$24,000 for 2009 and \$234,000 for 2010.

137.8 The 2011 appropriation includes \$26,000 for 2010 and \$256,000 for 2011.

137.9 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota
137.10 Statutes, section 125A.79, subdivision 7:

137.11 \$ 110,871,000 2010

137.12 \$ 110,877,000 2011

137.13 The 2010 appropriation includes \$37,046,000 for 2009 and \$73,825,000 for 2010.

137.14 The 2011 appropriation includes \$37,022,000 for 2010 and \$73,855,000 for 2011.

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

137.19 \$ 76,000 2010

137.20 \$ 78,000 2011

137.21 Subd. 7. **Special education out-of-state tuition.** For special education out-of-state
137.22 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

137.23 \$ 250,000 2010

137.24 \$ 250,000 2011

137.25 Sec. 22. **REPEALER.**

137.26 (a) Minnesota Statutes 2008, section 125A.05, is repealed.

137.27 (b) Minnesota Rules, parts 3525.0210, subparts 34 and 43; 3525.0400; 3525.2445;
137.28 and 3525.4220, are repealed.

137.29 (c) Minnesota Statutes 2008, sections 121A.66; and 121A.67, subdivision 1, are
137.30 repealed effective August 1, 2011.

138.1 (d) Minnesota Rules, parts 3525.0210, subparts 5, 6, 9, 13, 17, 29, 30, 46, and 47;
138.2 3525.1100, subpart 2, item F; and 3525.2900, subpart 5, are repealed effective August 1,
138.3 2011.

138.4 **ARTICLE 4**

138.5 **FACILITIES AND TECHNOLOGY**

138.6 Section 1. Minnesota Statutes 2008, section 123B.54, is amended to read:

138.7 **123B.54 DEBT SERVICE APPROPRIATION.**

138.8 (a) ~~\$14,814,000 in fiscal year 2008, \$9,109,000 in fiscal year 2009, \$7,286,000~~
138.9 \$7,948,000 in fiscal year 2010, and \$6,878,000 \$9,275,000 in fiscal year 2011, \$9,574,000
138.10 in fiscal year 2012, and \$8,904,000 in fiscal year 2013 and later are appropriated from the
138.11 general fund to the commissioner of education for payment of debt service equalization
138.12 aid under section 123B.53.

138.13 (b) The appropriations in paragraph (a) must be reduced by the amount of any
138.14 money specifically appropriated for the same purpose in any year from any state fund.

138.15 Sec. 2. Minnesota Statutes 2008, section 123B.57, subdivision 1, is amended to read:

138.16 Subdivision 1. **Health and safety program.** (a) To receive health and safety
138.17 revenue for any fiscal year a district must submit to the commissioner an application for
138.18 aid and levy by the date determined by the commissioner. The application may be for
138.19 hazardous substance removal, fire and life safety code repairs, labor and industry regulated
138.20 facility and equipment violations, and health, safety, and environmental management,
138.21 including indoor air quality management. The application must include a health and safety
138.22 program adopted by the school district board. The program must include the estimated
138.23 cost, per building, of the program by fiscal year. Upon approval through the adoption of
138.24 a resolution by each of an intermediate district's member school district boards and the
138.25 approval of the Department of Education, a school district may include its proportionate
138.26 share of the costs of health and safety projects for an intermediate district in its application.

138.27 (b) Health and safety projects with an estimated cost of \$500,000 or more per site;
138.28 ~~approved after February 1, 2003,~~ are not eligible for health and safety revenue. Health
138.29 and safety projects with an estimated cost of \$500,000 or more per site, ~~approved after~~
138.30 ~~February 1, 2003,~~ that meet all other requirements for health and safety funding, are
138.31 eligible for alternative facilities bonding and levy revenue according to section 123B.59.
138.32 A school board shall not separate portions of a single project into components to qualify
138.33 for health and safety revenue, and shall not combine unrelated projects into a single project
138.34 to qualify for alternative facilities bonding and levy revenue.

139.1 **EFFECTIVE DATE.** This section is effective July 1, 2009.

139.2 Sec. 3. Minnesota Statutes 2008, section 123B.59, subdivision 2, is amended to read:

139.3 Subd. 2. **Facility plan.** (a) A district qualifying under subdivision 1, paragraph
139.4 (a), must have a ten-year facility plan approved by the commissioner that includes an
139.5 inventory of projects and costs that would be eligible for:

139.6 (1) health and safety revenue, without restriction as to project size;

139.7 (2) disabled access levy; and

139.8 (3) deferred capital expenditures and maintenance projects necessary to prevent
139.9 further erosion of facilities.

139.10 (b) A district qualifying under subdivision 1, paragraph (b), must have a five-year
139.11 plan ~~approved by the commissioner~~ that includes an inventory of projects and costs for
139.12 health and safety projects with an estimated cost of \$500,000 or more per site that would
139.13 qualify for health and safety revenue except for the project size limitation in section
139.14 123B.57, subdivision 1, paragraph (b).

139.15 (c) The school district must:

139.16 (1) annually update the plans;

139.17 (2) biennially submit a facility maintenance plan; and

139.18 (3) indicate whether the district will issue bonds to finance the plan or levy for
139.19 the costs.

139.20 **EFFECTIVE DATE.** This section is effective July 1, 2009.

139.21 Sec. 4. Minnesota Statutes 2008, section 123B.59, subdivision 3, is amended to read:

139.22 Subd. 3. **Bond authorization.** (a) A school district may issue general obligation
139.23 bonds under this section to finance facilities plans approved by its board and the
139.24 commissioner. Chapter 475, except sections 475.58 and 475.59, must be complied with.
139.25 The district may levy under subdivision 5 for the debt service revenue. The authority to
139.26 issue bonds under this section is in addition to any bonding authority authorized by this
139.27 chapter, or other law. The amount of bonding authority authorized under this section must
139.28 be disregarded in calculating the bonding or net debt limits of this chapter, or any other
139.29 law other than section 475.53, subdivision 4.

139.30 (b) At least 20 days before the earliest of solicitation of bids, the issuance of bonds,
139.31 or the final certification of levies under subdivision 5, the district must publish notice
139.32 of the intended projects, the amount of the bond issue, and the total amount of district
139.33 indebtedness, and the commissioner's review and comment, if applicable.

139.34 **EFFECTIVE DATE.** This section is effective July 1, 2009.

140.1 Sec. 5. Minnesota Statutes 2008, section 123B.59, subdivision 3a, is amended to read:

140.2 Subd. 3a. **Levy authorization.** (a) A school district may levy under this section to
140.3 finance the portion of facilities plans approved by its board and the commissioner that are
140.4 not financed through bond issues according to subdivision 3.

140.5 (b) At least 20 days before a final district certification of levies under subdivision
140.6 5, the district must publish notice of the intended projects, including the total estimated
140.7 project cost, ~~and the commissioner's review and comment, if applicable.~~

140.8 **EFFECTIVE DATE.** This section is effective July 1, 2009.

140.9 Sec. 6. Minnesota Statutes 2008, section 123B.70, subdivision 1, is amended to read:

140.10 Subdivision 1. **Commissioner approval.** (a) In determining whether to give a
140.11 school facility a positive, negative, or unfavorable review and comment, the commissioner
140.12 must evaluate the proposals for facilities using the information provided under section
140.13 123B.71, subdivision 9.

140.14 (b) In the case of a proposal for a new school, the local school board retains the
140.15 authority to determine the minimum acreage needed to accommodate the school and
140.16 related facilities. The commissioner may evaluate the proposals but must not issue a
140.17 negative or unfavorable review and comment under this section for a school facility solely
140.18 based on too little acreage of the proposed school site.

140.19 (c) In the case of a proposal to renovate an existing school, the local school board
140.20 retains the authority to determine whether to renovate an existing school or to build a new
140.21 school regardless of the acreage of the current school site or the cost of the renovation
140.22 relative to the cost of building a new school. The commissioner's evaluation of whether
140.23 to replace a facility must not be solely based upon the ratio of renovation costs to
140.24 replacement costs.

140.25 **EFFECTIVE DATE.** This section is effective for review and comments issued
140.26 after July 1, 2009.

140.27 Sec. 7. Minnesota Statutes 2008, section 123B.71, subdivision 1, is amended to read:

140.28 Subdivision 1. **Consultation.** A school district shall consult with the commissioner
140.29 of education before developing any plans and specifications to construct, remodel, or
140.30 improve the building or site of an educational facility for which the estimated cost
140.31 exceeds ~~\$250,000~~ \$500,000. This consultation shall occur before a referendum for bonds,
140.32 solicitation for bids, or use of capital expenditure facilities revenue according to section
140.33 126C.10, subdivision 14, clause (2). The commissioner may require the district to

141.1 participate in a management assistance plan before conducting a review and comment
141.2 on the project.

141.3 Sec. 8. Minnesota Statutes 2008, section 123B.71, subdivision 8, is amended to read:

141.4 Subd. 8. **Review and comment.** A school district, a special education cooperative,
141.5 or a cooperative unit of government, as defined in section 123A.24, subdivision 2,
141.6 must not initiate an installment contract for purchase or a lease agreement, hold a
141.7 referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of
141.8 an educational facility that requires an expenditure in excess of \$500,000 per school site if
141.9 it has a capital loan outstanding, or \$1,400,000 per school site if it does not have a capital
141.10 loan outstanding, prior to review and comment by the commissioner. The commissioner
141.11 may exempt a facility maintenance project funded with general education aid and levy,
141.12 alternative facilities bonding and levy program, or health and safety revenue from this
141.13 provision after reviewing a written request from a school district describing the scope of
141.14 work. A school board shall not separate portions of a single project into components to
141.15 avoid the requirements of this subdivision.

141.16 Sec. 9. Minnesota Statutes 2008, section 123B.71, subdivision 9, is amended to read:

141.17 Subd. 9. **Information required.** A school board proposing to construct a facility
141.18 described in subdivision 8 shall submit to the commissioner a proposal containing
141.19 information including at least the following:

141.20 (1) the geographic area and population to be served, preschool through grade 12
141.21 student enrollments for the past five years, and student enrollment projections for the
141.22 next five years;

141.23 (2) a list of existing facilities by year constructed, their uses, and an assessment of
141.24 the extent to which alternate facilities are available within the school district boundaries
141.25 and in adjacent school districts;

141.26 (3) a list of the specific deficiencies of the facility that demonstrate the need for a
141.27 new or renovated facility to be provided, and a list of the specific benefits that the new
141.28 or renovated facility will provide to the students, teachers, and community users served
141.29 by the facility;

141.30 (4) the relationship of the project to any priorities established by the school district,
141.31 educational cooperatives that provide support services, or other public bodies in the
141.32 service area;

142.1 (5) a description of the pedestrian, bicycle, and transit connections between the
142.2 school and nearby residential areas that make it easier for children, teachers, and parents
142.3 to get to the school by walking, bicycling, and taking transit;

142.4 ~~(5)~~ (6) a specification of how the project will increase community use of the facility
142.5 maximizes the opportunity for cooperative use of existing park, recreation, and other
142.6 public facilities and whether and how the project will increase collaboration with other
142.7 governmental or nonprofit entities;

142.8 ~~(6)~~ (7) a description of the project, including the specification of site and outdoor
142.9 space acreage and square footage allocations for classrooms, laboratories, and support
142.10 spaces; estimated expenditures for the major portions of the project; and the dates the
142.11 project will begin and be completed;

142.12 ~~(7)~~ (8) a specification of the source of financing the project; the scheduled date
142.13 for a bond issue or school board action; a schedule of payments, including debt service
142.14 equalization aid; and the effect of a bond issue on local property taxes by the property
142.15 class and valuation;

142.16 ~~(8)~~ (9) an analysis of how the proposed new or remodeled facility will affect school
142.17 district operational or administrative staffing costs, and how the district's operating budget
142.18 will cover any increased operational or administrative staffing costs;

142.19 ~~(9)~~ (10) a description of the consultation with local or state road and transportation
142.20 officials on multimodal school site access and safety issues, and the ways that the project
142.21 will address those issues;

142.22 ~~(10)~~ (11) a description of how indoor air quality issues have been considered and a
142.23 certification that the architects and engineers designing the facility will have professional
142.24 liability insurance;

142.25 ~~(11)~~ (12) as required under section 123B.72, for buildings coming into service
142.26 after July 1, 2002, a certification that the plans and designs for the extensively renovated
142.27 or new facility's heating, ventilation, and air conditioning systems will meet or exceed
142.28 code standards; will provide for the monitoring of outdoor airflow and total airflow of
142.29 ventilation systems; and will provide an indoor air quality filtration system that meets
142.30 ASHRAE standard 52.1;

142.31 ~~(12)~~ (13) a specification of any desegregation requirements that cannot be met
142.32 by any other reasonable means;

142.33 ~~(13)~~ (14) a specification, if applicable, of how the facility will utilize environmentally
142.34 sustainable school facility design concepts; and

142.35 ~~(14)~~ (15) a description of how the architects and engineers have considered
142.36 the American National Standards Institute Acoustical Performance Criteria, Design

143.1 Requirements and Guidelines for Schools of the maximum background noise level and
143.2 reverberation times; and

143.3 (16) any existing information from the relevant local unit of government about the
143.4 cumulative costs to provide infrastructure to serve the school, such as utilities, sewer,
143.5 roads, and sidewalks.

143.6 Sec. 10. Minnesota Statutes 2008, section 123B.71, subdivision 12, is amended to read:

143.7 Subd. 12. **Publication.** (a) At least 20 days but not more than 60 days before a
143.8 referendum for bonds or solicitation of bids for a project that has received a positive or
143.9 unfavorable review and comment under section 123B.70, the school board shall publish a
143.10 summary of the commissioner's review and comment of that project in the legal newspaper
143.11 of the district. Supplementary information shall be available to the public.

143.12 (b) The publication requirement in paragraph (a) does not apply to alternative
143.13 facilities projects approved under section 123B.59. ~~Publication for alternative facilities~~
143.14 ~~projects shall be as specified in section 123B.59, subdivisions 3 and 3a.~~

143.15 Sec. 11. Minnesota Statutes 2008, section 125B.26, is amended to read:

143.16 **125B.26 TELECOMMUNICATIONS/INTERNET ACCESS EQUITY AID.**

143.17 Subdivision 1. **Costs to be submitted.** (a) A district ~~or~~ charter school or
143.18 intermediate school district shall submit its actual telecommunications/Internet access
143.19 costs for the previous fiscal year, adjusted for any e-rate revenue received, to the
143.20 department by August 15 of each year as prescribed by the commissioner. Costs eligible
143.21 for reimbursement under this program are limited to the following:

143.22 (1) ongoing or recurring telecommunications/Internet access costs associated with
143.23 Internet access, data lines, and video links providing:

143.24 (i) the equivalent of one data line, video link, or integrated data/video link that relies
143.25 on a transport medium that operates at a minimum speed of 1.544 megabytes per second
143.26 (T1) for each elementary school, middle school, or high school under section 120A.05,
143.27 subdivisions 9, 11, and 13, including the recurring telecommunications line lease costs
143.28 and ongoing Internet access service fees; or

143.29 (ii) the equivalent of one data line or video circuit, or integrated data/video link that
143.30 relies on a transport medium that operates at a minimum speed of 1.544 megabytes per
143.31 second (T1) for each district, including recurring telecommunications line lease costs
143.32 and ongoing Internet access service fees;

143.33 (2) recurring costs of contractual or vendor-provided maintenance on the school
143.34 district's wide area network to the point of presence at the school building up to the router,

144.1 codec, or other service delivery equipment located at the point of presence termination
144.2 at the school or school district;

144.3 (3) recurring costs of cooperative, shared arrangements for regional delivery of
144.4 telecommunications/Internet access between school districts, postsecondary institutions,
144.5 and public libraries including network gateways, peering points, regional network
144.6 infrastructure, Internet2 access, and network support, maintenance, and coordination; and

144.7 (4) service provider installation fees for installation of new telecommunications lines
144.8 or increased bandwidth.

144.9 (b) Costs not eligible for reimbursement under this program include:

144.10 (1) recurring costs of school district staff providing network infrastructure support;

144.11 (2) recurring costs associated with voice and standard telephone service;

144.12 (3) costs associated with purchase of network hardware, telephones, computers, or
144.13 other peripheral equipment needed to deliver telecommunications access to the school or
144.14 school district;

144.15 (4) costs associated with laying fiber for telecommunications access;

144.16 (5) costs associated with wiring school or school district buildings;

144.17 (6) costs associated with purchase, installation, or purchase and installation of
144.18 Internet filtering; and

144.19 (7) costs associated with digital content, including online learning or distance
144.20 learning programming, and information databases.

144.21 Subd. 2. **E-rates.** To be eligible for aid under this section, a district ~~or~~₂ charter
144.22 school, or intermediate school district is required to file an e-rate application either
144.23 separately or through its telecommunications access cluster and have a current technology
144.24 plan on file with the department. Discounts received on telecommunications expenditures
144.25 shall be reflected in the costs submitted to the department for aid under this section.

144.26 Subd. 3. **Reimbursement criteria.** The commissioner shall develop criteria
144.27 for approving costs submitted by organized school districts ~~and~~₂ charter schools, and
144.28 intermediate school districts under subdivision 1.

144.29 Subd. 4. **District aid.** For fiscal year 2006 and later, a district ~~or~~₂ charter school's
144.30 school, or intermediate school district's Internet access equity aid equals the district ~~or~~₂
144.31 charter school's school, or intermediate school district's approved cost for the previous
144.32 fiscal year according to subdivision 1 exceeding \$15 times the district's adjusted marginal
144.33 cost pupil units for the previous fiscal year or no reduction if the district is part of an
144.34 organized telecommunications access cluster. Equity aid must be distributed to the
144.35 telecommunications access cluster for districts, charter schools, or intermediate school

145.1 districts that are members of the cluster or to individual districts ~~and~~ charter schools, or
145.2 intermediate school districts not part of a telecommunications access cluster.

145.3 Subd. 5. **Telecommunications/Internet access services for nonpublic schools.**

145.4 (a) Districts shall provide each year upon formal request by or on behalf of a nonpublic
145.5 school, not including home schools, located in that district or area, ongoing or recurring
145.6 telecommunications access services to the nonpublic school either through existing district
145.7 providers or through separate providers.

145.8 (b) The amount of district aid for telecommunications access services for each
145.9 nonpublic school under this subdivision equals the lesser of:

145.10 (1) 90 percent of the nonpublic school's approved cost for the previous fiscal year
145.11 according to subdivision 1 exceeding \$10 for fiscal year 2006 and later times the number
145.12 of weighted pupils enrolled at the nonpublic school as of October 1 of the previous
145.13 school year; or

145.14 (2) the product of the district's aid per pupil unit according to subdivision 4 times
145.15 the number of weighted pupils enrolled at the nonpublic school as of October 1 of the
145.16 previous school year.

145.17 (c) For purposes of this subdivision, nonpublic school pupils shall be weighted by
145.18 grade level using the weighting factors defined in section 126C.05, subdivision 1.

145.19 (d) Each year, a district providing services under paragraph (a) may claim up to five
145.20 percent of the aid determined in paragraph (b) for costs of administering this subdivision.
145.21 No district may expend an amount for these telecommunications access services which
145.22 exceeds the amount allocated under this subdivision. The nonpublic school is responsible
145.23 for the Internet access costs not covered by this section.

145.24 (e) At the request of a nonpublic school, districts may allocate the amount
145.25 determined in paragraph (b) directly to the nonpublic school to pay for or offset the
145.26 nonpublic school's costs for telecommunications access services; however, the amount
145.27 allocated directly to the nonpublic school may not exceed the actual amount of the school's
145.28 ongoing or recurring telecommunications access costs.

145.29 Subd. 6. **Severability.** If any portion of this section is found by a court to be
145.30 unconstitutional, the remaining portions of the section shall remain in effect.

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

145.32 Sec. 12. **APPROPRIATIONS.**

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

146.4 Subd. 2. **Health and safety revenue.** For health and safety aid according to
146.5 Minnesota Statutes, section 123B.57, subdivision 5:

146.6 \$ 161,000 2010

146.7 \$ 160,000 2011

146.8 The 2010 appropriation includes \$10,000 for 2009 and \$151,000 for 2010.

146.9 The 2011 appropriation includes \$16,000 for 2010 and \$144,000 for 2011.

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

146.12 \$ 7,948,000 2010

146.13 \$ 9,275,000 2011

146.14 The 2010 appropriation includes \$851,000 for 2009 and \$7,097,000 for 2010.

146.15 The 2011 appropriation includes \$788,000 for 2010 and \$8,487,000 for 2011.

146.16 Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid,
146.17 according to Minnesota Statutes, section 123B.59, subdivision 1:

146.18 \$ 19,287,000 2010

146.19 \$ 19,287,000 2011

146.20 The 2010 appropriation includes \$1,928,000 for 2009 and \$17,359,000 for 2010.

146.21 The 2011 appropriation includes \$1,928,000 for 2010 and \$17,359,000 for 2011.

146.22 Subd. 5. **Equity in telecommunications access.** For equity in telecommunications
146.23 access:

146.24 \$ 3,750,000 2010

146.25 \$ 3,750,000 2011

146.26 If the appropriation amount is insufficient, the commissioner shall reduce the
146.27 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
146.28 revenue for fiscal years 2010 and 2011 shall be prorated.

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

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

148.1 ~~(2)~~ the revenues and expenditures in detail, and such other financial information
148.2 required by law, rule, or as may be called for by the commissioner;

148.3 ~~(3)~~ (2) the length of school term and the enrollment and attendance by grades; and
148.4 ~~(4)~~ (3) such other items of information as may be called for by the commissioner.

148.5 The clerk shall enter in the clerk's record book copies of all reports and of the
148.6 teachers' term reports, as they appear in the registers, and of the proceedings of any
148.7 meeting as furnished by the clerk pro tem, and keep an itemized account of all the
148.8 expenses of the district. The clerk shall furnish to the auditor of the proper county, by
148.9 ~~October 10~~ September 30 of each year, an attested copy of the clerk's record, showing
148.10 the amount of ~~money~~ proposed property tax voted by the district or the board for school
148.11 purposes; draw and sign all orders upon the treasurer for the payment of money for bills
148.12 allowed by the board for salaries of officers and for teachers' wages and all claims, to be
148.13 countersigned by the chair. Such orders must state the consideration, payee, and the
148.14 fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in
148.15 the order in which they become due, and no money applicable for teachers' wages shall
148.16 be used for any other purpose, nor shall teachers' wages be paid from any fund except
148.17 that raised or apportioned for that purpose.

148.18 Sec. 3. Minnesota Statutes 2008, section 123B.79, subdivision 7, is amended to read:

148.19 Subd. 7. **Account transfer for ~~certain severance pay~~ designated separation**
148.20 **and retirement benefits.** A district may separately maintain in a ~~reserve for certain~~
148.21 ~~severance pay~~ designated for separation and retirement benefit account ~~not more than 50~~
148.22 ~~percent of the amount necessary to meet the obligations for the portion of severance~~
148.23 ~~pay that constitutes compensation for accumulated sick leave to be used for payment of~~
148.24 ~~premiums for group insurance provided for former employees by the district~~ separation
148.25 and retirement benefits, including compensated absences, termination benefits, pension
148.26 benefits, and other postemployment benefits, not accounted for elsewhere. The amount
148.27 necessary must be calculated according to standards established by the department.

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

148.29 Sec. 4. Minnesota Statutes 2008, section 123B.81, subdivision 3, is amended to read:

148.30 Subd. 3. **Debt verification.** The commissioner shall establish a uniform auditing or
148.31 other verification procedure for districts to determine whether a statutory operating debt
148.32 exists in any Minnesota school district ~~as of June 30, 1977. This procedure must identify~~
148.33 ~~all interfund transfers made during fiscal year 1977 from a fund included in computing~~
148.34 ~~statutory operating debt to a fund not included in computing statutory operating debt.~~ The

149.1 standards for this uniform auditing or verification procedure must be promulgated by the
149.2 ~~state board pursuant to chapter 14~~ commissioner. If a district applies to the commissioner
149.3 for a statutory operating debt verification ~~or if the unaudited financial statement for the~~
149.4 ~~school year ending June 30, 1977 reveals that a statutory operating debt might exist~~, the
149.5 commissioner shall require a verification of the amount of the statutory operating debt
149.6 which actually does exist.

149.7 Sec. 5. Minnesota Statutes 2008, section 123B.81, subdivision 4, is amended to read:

149.8 Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted
149.9 pursuant to subdivision 3 determines that a statutory operating debt exists, a district
149.10 must follow the procedures ~~set forth in this~~ section 123B.83 to eliminate this statutory
149.11 operating debt.

149.12 Sec. 6. Minnesota Statutes 2008, section 123B.81, subdivision 5, is amended to read:

149.13 Subd. 5. **Certification of debt.** The commissioner shall certify the amount of
149.14 statutory operating debt for each district. ~~Prior to June 30, 1979, the commissioner may,~~
149.15 ~~on the basis of corrected figures, adjust the total amount of statutory operating debt~~
149.16 ~~certified for any district.~~

149.17 Sec. 7. Minnesota Statutes 2008, section 134.31, subdivision 4a, is amended to read:

149.18 Subd. 4a. **Services to the blind and physically handicapped people with visual**
149.19 **and physical disabilities.** The Minnesota Department of Education shall provide
149.20 specialized services to ~~the blind and physically handicapped people with visual and~~
149.21 physical disabilities through the Minnesota Braille and Talking Book Library for the Blind
149.22 ~~and Physically Handicapped~~ under a cooperative plan with the National Library Services
149.23 for the Blind and Physically Handicapped of the Library of Congress.

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

149.25 Sec. 8. Minnesota Statutes 2008, section 134.31, is amended by adding a subdivision
149.26 to read:

149.27 Subd. 7. **Telephone or electronic meetings.** (a) Notwithstanding section 13D.01,
149.28 the Advisory Committee for the Minnesota Braille and Talking Book Library may conduct
149.29 a meeting of its members by telephone or other electronic means so long as the following
149.30 conditions are met:

149.31 (1) all members of the committee participating in the meeting, wherever their
149.32 physical locations, can hear one another and can hear all discussion and testimony;

150.1 (2) members of the public present at the regular meeting location of the committee
150.2 can hear all discussion, testimony, and votes of the members of the committee;

150.3 (3) at least one member of the committee is physically present at the regular meeting
150.4 location; and

150.5 (4) all votes are conducted by roll call, so each member's vote on each issue can be
150.6 identified and recorded.

150.7 (b) Each member of the committee participating in a meeting by telephone or other
150.8 electronic means is considered present at the meeting for purposes of determining quorum
150.9 and participating in all proceedings.

150.10 (c) If telephone or other electronic means is used to conduct a meeting, to the extent
150.11 practical, the committee shall allow a person to monitor the meeting electronically from a
150.12 remote location. The committee may require the person making the connection to pay
150.13 for the documented additional costs that the committee incurs as a result of the additional
150.14 connection.

150.15 (d) If telephone or other electronic means is used to conduct a regular, special, or
150.16 emergency meeting, the committee shall provide notice of the regular meeting location,
150.17 the fact that some members may participate by telephone or other electronic means, and
150.18 the provisions of paragraph (c). The timing and method of providing notice is governed
150.19 by section 13D.04.

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

150.21 Sec. 9. Minnesota Statutes 2008, section 134.34, subdivision 1, is amended to read:

150.22 Subdivision 1. **Local support levels.** (a) A regional library basic system support
150.23 grant shall be made to any regional public library system where there are at least three
150.24 participating counties and where each participating city and county is providing for
150.25 public library service support the lesser of (a) an amount equivalent to .82 percent of the
150.26 average of the adjusted net tax capacity of the taxable property of that city or county,
150.27 as determined by the commissioner of revenue for the second, third, and fourth year
150.28 preceding that calendar year ~~in 1991 and later years~~ or (b) a per capita amount calculated
150.29 under the provisions of this subdivision. The per capita amount is established for calendar
150.30 year 1993 as \$7.62. In succeeding calendar years, the per capita amount shall be increased
150.31 by a percentage equal to one-half of the percentage by which the total state adjusted net
150.32 tax capacity of property as determined by the commissioner of revenue for the second
150.33 year preceding that calendar year increases over that total adjusted net tax capacity for
150.34 the third year preceding that calendar year.

151.1 **(b)** The minimum level of support specified under this subdivision or subdivision 4
151.2 shall be certified annually to the participating cities and counties by the Department of
151.3 Education. If a city or county chooses to reduce its local support in accordance with
151.4 subdivision 4, paragraphs (b) or (c), it shall notify its regional public library system. The
151.5 regional public library system shall notify the Department of Education that a revised
151.6 certification is required. The revised minimum level of support shall be certified to the
151.7 city or county by the Department of Education.

151.8 **(c)** A city which is a part of a regional public library system shall not be required to
151.9 provide this level of support if the property of that city is already taxable by the county
151.10 for the support of that regional public library system. In no event shall the Department
151.11 of Education require any city or county to provide a higher level of support than the
151.12 level of support specified in this section in order for a system to qualify for a regional
151.13 library basic system support grant. This section shall not be construed to prohibit a city
151.14 or county from providing a higher level of support for public libraries than the level of
151.15 support specified in this section.

151.16 **EFFECTIVE DATE.** This section is effective for calendar years 2009 and later,
151.17 except that the change in paragraph (a) is effective for calendar years 2011 and later.

151.18 Sec. 10. Minnesota Statutes 2008, section 134.34, subdivision 4, is amended to read:

151.19 Subd. 4. **Limitation.** (a) For calendar year 2010 and later, a regional library
151.20 basic system support grant shall not be made to a regional public library system for a
151.21 participating city or county which decreases the dollar amount provided for support for
151.22 operating purposes of public library service below the amount provided by it for the
151.23 second, or third preceding year, whichever is less. For purposes of this subdivision and
151.24 subdivision 1, any funds provided under section 473.757, subdivision 2, for extending
151.25 library hours of operation shall not be considered amounts provided by a city or county for
151.26 support for operating purposes of public library service. This subdivision shall not apply
151.27 to participating cities or counties where the adjusted net tax capacity of that city or county
151.28 has decreased, if the dollar amount of the reduction in support is not greater than the dollar
151.29 amount by which support would be decreased if the reduction in support were made in
151.30 direct proportion to the decrease in adjusted net tax capacity.

151.31 **(b)** For calendar year 2009 and later, in any calendar year in which a city's or
151.32 county's aid under sections 477A.011 to 477A.014 or credits under section 273.1384 is
151.33 reduced after the city or county has certified its levy payable in that year, it may reduce
151.34 its local support by the lesser of:

151.35 **(1)** ten percent; or

152.1 (2) a percent equal to the ratio of the aid and credit reductions to the city's or county's
152.2 revenue base, based on aids certified for the current calendar year. For calendar year 2009
152.3 only, the reduction under this paragraph shall be based on 2008 aid and credit reductions
152.4 under the December 2008 unallotment, as well as any aid and credit reductions in calendar
152.5 year 2009. For pay 2009 only, the commissioner of revenue will calculate the reductions
152.6 under this paragraph and certify them to the commissioner of education within 15 days
152.7 of this provision becoming law.

152.8 (c) For taxes payable in 2010 and later, in any payable year in which the total
152.9 amounts certified for city or county aids under sections 477A.011 to 477A.014 are less
152.10 than the total amounts paid under those sections in the previous calendar year, a city or
152.11 county may reduce its local support by the lesser of:

152.12 (1) ten percent; or

152.13 (2) a percent equal to the ratio of:

152.14 (i) the difference between (A) the sum of the aid it was paid under sections 477A.011
152.15 to 477A.014 and the credits it received under section 273.1398 in the previous calendar
152.16 year and (B) the sum of the aid it is certified to be paid in the current calendar year
152.17 under sections 477A.011 to 477A.014 and the credits estimated to be paid under section
152.18 273.1398; to

152.19 (ii) its revenue base for the previous year, based on aids actually paid in the previous
152.20 calendar year. The commissioner of revenue shall calculate the percent aid cut for each
152.21 county and city under this paragraph and certify the percentage cuts to the commissioner
152.22 of education by August 1 of the year prior to the year in which the reduced aids and credits
152.23 are to be paid. The percentage of reduction related to reductions to credits under section
152.24 273.1384, shall be based on the best estimation available as of July 30.

152.25 (d) Notwithstanding paragraph (a), (b), or (c), no city or county shall reduce its
152.26 support for public libraries below the minimum level specified in subdivision 1.

152.27 (e) For purposes of this subdivision, "revenue base" means the sum of:

152.28 (1) its levy for taxes payable in the current calendar year, including the levy on
152.29 the fiscal disparities distribution under section 276A.06, subdivision 3, paragraph (a),
152.30 or 473F.08, subdivision 3, paragraph (a);

152.31 (2) its aid under sections 477A.011 to 477A.014 in the current calendar year; and

152.32 (3) its taconite aid in the current calendar year under sections 298.28 and 298.282.

152.33 **EFFECTIVE DATE.** This section is effective for support in calendar year 2009
152.34 and thereafter and for library grants paid in fiscal year 2010 and thereafter, except that the
152.35 changes in paragraph (a) are effective for support in calendar year 2010 and thereafter.

153.1 Sec. 11. Laws 2008, chapter 363, article 2, section 46, subdivision 1, is amended to
153.2 read:

153.3 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
153.4 on June 30, of 2008, 2009, and 2010, a school district may transfer money from its
153.5 reserved for operating capital account to its undesignated balance in the general fund. The
153.6 amount transferred by any school district must not exceed \$51 times the district's adjusted
153.7 marginal cost pupil units for the second preceding fiscal year 2007. This transfer annually
153.8 may occur only after the school board has adopted a written resolution stating the amount
153.9 of the transfer and declaring that the school district's operating capital needs are being met.

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

153.11 Sec. 12. **FUND TRANSFERS.**

153.12 Subdivision 1. **Lac Qui Parle Valley.** Notwithstanding Minnesota Statutes, sections
153.13 123B.79; 123B.80; and 475.61, subdivision 4, on June 30, 2009, Independent School
153.14 District No. 2853, Lac qui Parle Valley, may permanently transfer up to \$221,000 from its
153.15 debt redemption fund to its reserved for capital account without making a levy reduction.

153.16 Subd. 2. **Mankato.** Notwithstanding Minnesota Statutes, section 123B.79,
153.17 123B.80, or 475.61, subdivision 4, on June 30, 2009, Independent School District No. 77,
153.18 Mankato, may permanently transfer up to \$250,000 from its debt redemption fund to its
153.19 undesignated general fund balance without making a levy reduction.

153.20 Subd. 3. **Ortonville.** Notwithstanding Minnesota Statutes, section 123B.79,
153.21 123B.80, or 475.61, subdivision 4, on June 30, 2009, Independent School District No. 62,
153.22 Ortonville, may permanently transfer up to \$200,000 from its debt redemption fund to its
153.23 reserved for operating capital account without making a levy reduction.

153.24 Subd. 4. **St. Anthony-New Brighton.** Notwithstanding Minnesota Statutes,
153.25 section 123B.79 or 123B.80, on June 30, 2009, Independent School District No. 282, St.
153.26 Anthony-New Brighton, may permanently transfer up to \$400,000 from its reserved for
153.27 operating capital account to its undesignated general fund balance.

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

153.29 Sec. 13. **APPROPRIATIONS.**

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

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

154.3 \$ 12,688,000 2010

154.4 \$ 13,069,000 2011

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

154.7 \$ 4,978,000 2010

154.8 \$ 5,147,000 2011

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

154.11 \$ 1,098,000 2010

154.12 \$ 1,120,000 2011

154.13 Subd. 5. **Summer school service replacement aid.** For summer food service
154.14 replacement aid under Minnesota Statutes, section 124D.119:

154.15 \$ 150,000 2010

154.16 \$ 150,000 2011

154.17 Subd. 6. **Basic system support.** For basic system support grants under Minnesota
154.18 Statutes, section 134.355:

154.19 \$ 13,570,000 2010

154.20 \$ 13,570,000 2011

154.21 The 2010 appropriation includes \$1,357,000 for 2009 and \$12,213,000 for 2010.

154.22 The 2011 appropriation includes \$1,357,000 for 2010 and \$12,213,000 for 2011.

154.23 Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota
154.24 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

154.25 \$ 1,300,000 2010

154.26 \$ 1,300,000 2011

154.27 The 2010 appropriation includes \$130,000 for 2009 and \$1,170,000 for 2010.

154.28 The 2011 appropriation includes \$130,000 for 2010 and \$1,170,000 for 2011.

155.1 Subd. 8. Electronic library for Minnesota. For statewide licenses to online
155.2 databases selected in cooperation with the Minnesota Office of Higher Education for
155.3 school media centers, public libraries, state government agency libraries, and public
155.4 or private college or university libraries:

155.5 \$ 900,000 2010

155.6 \$ 900,000 2011

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

155.8 Subd. 9. Regional library telecommunications aid. For regional library
155.9 telecommunications aid under Minnesota Statutes, section 134.355:

155.10 \$ 2,300,000 2010

155.11 \$ 2,300,000 2011

155.12 The 2010 appropriation includes \$230,000 for 2009 and \$2,070,000 for 2010.

155.13 The 2011 appropriation includes \$230,000 for 2010 and \$2,070,000 for 2011.

155.14 **ARTICLE 6**

155.15 **EARLY CHILDHOOD EDUCATION, PREVENTION, SELF-SUFFICIENCY,**
155.16 **AND LIFELONG LEARNING**

155.17 Section 1. Minnesota Statutes 2008, section 119A.52, is amended to read:

155.18 **119A.52 DISTRIBUTION OF APPROPRIATION.**

155.19 (a) The commissioner of education must distribute money appropriated for that
155.20 purpose to federally designated Head Start programs to expand services and to serve
155.21 additional low-income children. Migrant and Indian reservation programs must be initially
155.22 allocated money based on the programs' share of federal funds. The remaining money
155.23 must be initially allocated to the remaining local agencies based equally on the agencies'
155.24 share of federal funds and on the proportion of eligible children in the agencies' service
155.25 area who are not currently being served. A Head Start program must be funded at a per
155.26 child rate equal to its contracted, federally funded base level at the start of the fiscal
155.27 year. For all agencies without a federal Early Head Start rate, the state average federal
155.28 cost per child for Early Head Start applies. In allocating funds under this paragraph, the
155.29 commissioner of education must assure that each Head Start program in existence in
155.30 1993 is allocated no less funding in any fiscal year than was allocated to that program in
155.31 fiscal year 1993. Before paying money to the programs, the commissioner must notify
155.32 each program of its initial allocation, and how the money must be used, ~~and the number of~~
155.33 ~~low-income children to be served with the allocation based upon the federally funded per~~

156.1 ~~child rate.~~ Each program must present a plan under section 119A.535. For any program
 156.2 that cannot utilize its full allocation at the beginning of the fiscal year, the commissioner
 156.3 must reduce the allocation proportionately. Money available after the initial allocations
 156.4 are reduced must be redistributed to eligible programs.

156.5 (b) The commissioner must develop procedures to make payments to programs
 156.6 based upon the number of children reported to be enrolled during the required time
 156.7 period of program operations. Enrollment is defined by federal Head Start regulations.
 156.8 The procedures must include a reporting schedule, corrective action plan requirements,
 156.9 and financial consequences to be imposed on programs that do not meet full enrollment
 156.10 after the period of corrective action. Programs reporting chronic underenrollment, as
 156.11 defined by the commissioner, will have their subsequent program year allocation reduced
 156.12 proportionately. Funds made available by prorating payments and allocations to programs
 156.13 with reported underenrollment will be made available to the extent funds exist to fully
 156.14 enrolled Head Start programs through a form and manner prescribed by the department.

156.15 (c) Programs with approved innovative initiatives that target services to high-risk
 156.16 populations, including homeless families and families living in homeless shelters and
 156.17 transitional housing, are exempt from the procedures in paragraph (b). This exemption
 156.18 does not apply to entire programs. The exemption applies only to approved innovative
 156.19 initiatives that target services to high-risk populations, including homeless families and
 156.20 families living in homeless shelters, transitional housing, and permanent supportive
 156.21 housing.

156.22 Sec. 2. Minnesota Statutes 2008, section 124D.13, subdivision 13, is amended to read:

156.23 Subd. 13. **Plan and Program data submission requirements.** ~~(a) An early~~
 156.24 ~~childhood family education program must submit a biennial plan addressing the~~
 156.25 ~~requirements of subdivision 2 for approval by the commissioner. The plan must also~~
 156.26 ~~describe how the program provides parenting education and ensures participation of~~
 156.27 ~~families representative of the school district. A school district must submit the plan for~~
 156.28 ~~approval by the commissioner in the form and manner prescribed by the commissioner.~~
 156.29 ~~One-half of districts, as determined by the commissioner, must first submit a biennial plan~~
 156.30 ~~by April 1, 2009, and the remaining districts must first submit a plan by April 1, 2010.~~

156.31 ~~(b)~~ Districts receiving early childhood family education revenue under section
 156.32 124D.135 must submit annual program data to the department by July 15 in the form and
 156.33 manner prescribed by the commissioner.

156.34 ~~(c) Beginning with levies for fiscal year 2011, a school district must submit its annual~~
 156.35 ~~program data to the department before it may certify a levy under section 124D.135.~~

157.1 ~~Districts selected by the commissioner to submit a biennial plan by April 1, 2009, must~~
157.2 ~~also have an approved plan on file with the commissioner before certifying a levy under~~
157.3 ~~section 124D.135 for fiscal year 2011. Beginning with levies for fiscal year 2012, all~~
157.4 ~~districts must submit annual program data and have an approved biennial plan on file with~~
157.5 ~~the commissioner before certifying a levy under section 124D.135.~~

157.6 Sec. 3. Minnesota Statutes 2008, section 124D.135, subdivision 3, is amended to read:

157.7 Subd. 3. **Early childhood family education levy.** (a) By September 30 of each
157.8 year, the commissioner shall establish a tax rate for early childhood family education
157.9 revenue that raises \$22,135,000 in each fiscal year. If the amount of the early childhood
157.10 family education levy would exceed the early childhood family education revenue, the
157.11 early childhood family education levy must equal the early childhood family education
157.12 revenue. ~~Beginning with levies for fiscal year 2011,~~ A district may not certify an early
157.13 childhood family education levy unless it has met the annual program data reporting ~~and~~
157.14 ~~biennial plan~~ requirements under section 124D.13, subdivision 13.

157.15 (b) Notwithstanding paragraph (a), for fiscal year 2009 only, the commissioner shall
157.16 establish a tax rate for early education revenue that raises \$13,565,000.

157.17 Sec. 4. **[124D.142] QUALITY RATING AND IMPROVEMENT SYSTEM.**

157.18 (a) There is established a quality rating and improvement system (QRIS) framework
157.19 to ensure that Minnesota's children have access to high-quality early learning and care
157.20 programs in a range of settings so that they are fully ready for kindergarten by 2020.

157.21 Creation of a standards-based voluntary quality rating and improvement system includes:

157.22 (1) quality opportunities in order to improve the educational outcomes of children so
157.23 that they are ready for school. The framework shall be based on the Minnesota quality
157.24 rating system rating tool and a common set of child outcome and program standards and
157.25 informed by evaluation results;

157.26 (2) a tool to increase the number of publicly funded and regulated early learning
157.27 and care services in both public and private market programs that are high quality. If a
157.28 program or provider chooses to participate, the program or provider will be rated and may
157.29 receive public funding associated with the rating. The state shall develop a plan to link
157.30 future early learning and care state funding to the framework in a manner that complies
157.31 with federal requirements; and

157.32 (3) tracking progress toward statewide access to high-quality early learning and care
157.33 programs, progress toward the number of low-income children whose parents can access

158.1 quality programs, and progress toward increasing the number of children who are fully
158.2 prepared to enter kindergarten.

158.3 (b) In planning a statewide quality rating and improvement system framework in
158.4 paragraph (a), the state shall use evaluation results of the Minnesota quality rating system
158.5 rating tool in use in fiscal year 2008 to recommend:

158.6 (1) a framework of a common set of child outcome and program standards for a
158.7 voluntary statewide quality rating and improvement system;

158.8 (2) a plan to link future funding to the framework described in paragraph (a),
158.9 clause (2); and

158.10 (3) a plan for how the state will realign existing state and federal administrative
158.11 resources to implement the voluntary quality rating and improvement system framework.

158.12 The state shall provide the recommendation in this paragraph to the early childhood
158.13 education finance committees of the legislature by March 15, 2011.

158.14 (c) Prior to the creation of a statewide quality rating and improvement system in
158.15 paragraph (a), the state shall employ the Minnesota quality rating system rating tool in use
158.16 in fiscal year 2008 in the original Minnesota Early Learning Foundation pilot areas and
158.17 additional pilot areas supported by private or public funds with its modification as a result
158.18 of the evaluation results of the pilot project.

158.19 **EFFECTIVE DATE.** This section is effective July 1, 2009.

158.20 Sec. 5. Minnesota Statutes 2008, section 124D.15, subdivision 3, is amended to read:

158.21 Subd. 3. **Program requirements.** A school readiness program provider must:

158.22 (1) assess each child's cognitive skills with a comprehensive child assessment
158.23 instrument when the child enters and again before the child leaves the program to inform
158.24 program planning and parents and promote kindergarten readiness;

158.25 (2) provide comprehensive program content and intentional instructional practice
158.26 aligned with the state early childhood learning guidelines and kindergarten standards and
158.27 based on early childhood research and professional practice that is focused on children's
158.28 cognitive, social, emotional, and physical skills and development and prepares children
158.29 for the transition to kindergarten, including early literacy skills;

158.30 (3) coordinate appropriate kindergarten transition with parents and kindergarten
158.31 teachers;

158.32 ~~(3)~~ (4) arrange for early childhood screening and appropriate referral;

158.33 ~~(4)~~ (5) involve parents in program planning and decision making;

158.34 ~~(5)~~ (6) coordinate with relevant community-based services; ~~and~~

159.1 ~~(6)~~ (7) cooperate with adult basic education programs and other adult literacy
159.2 programs;

159.3 (8) ensure staff-child ratios of one-to-ten and maximum group size of 20 children
159.4 with the first staff required to be a teacher; and

159.5 (9) have teachers knowledgeable in early childhood curriculum content, assessment,
159.6 and instruction.

159.7 Sec. 6. Minnesota Statutes 2008, section 124D.19, subdivision 10, is amended to read:

159.8 Subd. 10. **Youth service programs.** (a) A school board may offer, as part of a
159.9 community education program with a youth development program, a youth service
159.10 program that provides young people with meaningful opportunities to become involved in
159.11 their community, develop individual capabilities, make career connections, seek support
159.12 networks and services, become active citizens, and address community needs through
159.13 youth service. The board may award up to one credit, or the equivalent, toward graduation
159.14 for a pupil who completes the youth service requirements of the district. The community
159.15 education advisory council, after considering the results of the commissioner's study
159.16 under section 124D.50, subdivision 1, must design the program in cooperation with the
159.17 district planning, evaluating and reporting committee and local organizations that train
159.18 volunteers or need volunteers' services.

159.19 (b) Programs must include:

159.20 (1) preliminary training for pupil volunteers conducted, when possible, by
159.21 organizations experienced in such training;

159.22 (2) supervision of the pupil volunteers to ensure appropriate placement and adequate
159.23 learning opportunity;

159.24 (3) sufficient opportunity, in a positive setting for human development, for pupil
159.25 volunteers to develop general skills in preparation for employment, to enhance self-esteem
159.26 and self-worth, and to give genuine service to their community;

159.27 (4) integration of academic learning with the service experience; and

159.28 (5) integration of youth community service with elementary and secondary
159.29 curriculum.

159.30 (c) Youth service projects include, but are not limited to, the following:

159.31 (1) human services for the elderly, including home care and related services;

159.32 (2) tutoring and mentoring;

159.33 (3) training for and providing emergency services;

159.34 (4) services at extended day programs;

159.35 (5) environmental services; and

160.1 (6) service-learning programs in which schools, including postsecondary schools,
160.2 and employers work together with young people to provide them with meaningful
160.3 opportunities for community service and with the academic and technical skills that
160.4 employers require.

160.5 ~~(d) The commissioner shall maintain a list of acceptable projects with a description~~
160.6 ~~of each project. A project that is not on the list must be approved by the commissioner.~~

160.7 ~~(e)~~ A youth service project must have a community sponsor that may be a
160.8 governmental unit or nonprofit organization. To assure that pupils provide additional
160.9 services, each sponsor must assure that pupil services do not displace employees or reduce
160.10 the workload of any employee.

160.11 ~~(f)~~ (e) The commissioner shall assist districts in planning youth service programs,
160.12 implementing programs, and developing recommendations for obtaining community
160.13 sponsors.

160.14 Sec. 7. Minnesota Statutes 2008, section 124D.19, subdivision 14, is amended to read:

160.15 Subd. 14. **Community education; annual report.** Each district offering a
160.16 community education program under this section must annually report to the department
160.17 information regarding ~~the cost per participant and cost per contact hour for each~~
160.18 community education program, including youth after-school enrichment programs, that
160.19 receives aid or levy. ~~The department must include cost per participant and cost per contact~~
160.20 ~~hour information by program in the community education annual report.~~

160.21 Sec. 8. Minnesota Statutes 2008, section 124D.522, is amended to read:

160.22 **124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE**
160.23 **GRANTS.**

160.24 (a) The commissioner, in consultation with the policy review task force under
160.25 section 124D.521, may make grants to nonprofit organizations to provide services that
160.26 are not offered by a district adult basic education program or that are supplemental to
160.27 either the statewide adult basic education program, or a district's adult basic education
160.28 program. The commissioner may make grants for: staff development for adult basic
160.29 education teachers and administrators; training for volunteer tutors; training, services, and
160.30 materials for serving disabled students through adult basic education programs; statewide
160.31 promotion of adult basic education services and programs; development and dissemination
160.32 of instructional and administrative technology for adult basic education programs;
160.33 programs which primarily serve communities of color; adult basic education distance
160.34 learning projects, including television instruction programs; and other supplemental

161.1 services to support the mission of adult basic education and innovative delivery of adult
161.2 basic education services.

161.3 (b) The commissioner must establish eligibility criteria and grant application
161.4 procedures. Grants under this section must support services throughout the state, focus on
161.5 educational results for adult learners, and promote outcome-based achievement through
161.6 adult basic education programs. Beginning in fiscal year 2002, the commissioner may
161.7 make grants under this section from the state total adult basic education aid set aside for
161.8 supplemental service grants under section 124D.531. Up to one-fourth of the appropriation
161.9 for supplemental service grants must be used for grants for adult basic education programs
161.10 to encourage and support innovations in adult basic education instruction and service
161.11 delivery. A grant to a single organization cannot exceed ~~\$100,000~~ 20 percent of the total
161.12 supplemental services aid. Nothing in this section prevents an approved adult basic
161.13 education program from using state or federal aid to purchase supplemental services.

161.14 Sec. 9. Minnesota Statutes 2008, section 299A.297, is amended to read:

161.15 **299A.297 OTHER DUTIES.**

161.16 The commissioner of public safety, in consultation with the Chemical Abuse and
161.17 Violence Prevention Council, shall:

161.18 (1) provide information and assistance upon request to school preassessment teams
161.19 established under section 121A.26 ~~and school and community advisory teams established~~
161.20 ~~under section 121A.27;~~

161.21 (2) provide information and assistance upon request to the State Board of Pharmacy
161.22 with respect to the board's enforcement of chapter 152;

161.23 (3) cooperate with and provide information and assistance upon request to the
161.24 Alcohol and Other Drug Abuse Section in the Department of Human Services;

161.25 (4) coordinate the policy of the office with that of the Narcotic Enforcement Unit in
161.26 the Bureau of Criminal Apprehension; and

161.27 (5) coordinate the activities of the regional drug task forces, provide assistance and
161.28 information to them upon request, and assist in the formation of task forces in areas of
161.29 the state in which no task force operates.

161.30 Sec. 10. **EARLY LEARNING STUDY.**

161.31 The Department of Human Services, in conjunction with the Department of
161.32 Education, shall develop a study to:

162.1 (1) determine how to effectively transition basic sliding fee child care, MFIP child
162.2 care, and child care development grants from the Department of Human Services to the
162.3 Department of Education; and

162.4 (2) determine how to create an early learning system with one common set of
162.5 standards.

162.6 The Department of Human Services and Department of Education must report the
162.7 results of this study by February 15, 2010, to the legislative committees having jurisdiction
162.8 over health and human services, early education, and K-12 education.

162.9 Sec. 11. **APPROPRIATIONS.**

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

162.13 Subd. 2. **School readiness.** For revenue for school readiness programs under
162.14 Minnesota Statutes, sections 124D.15 and 124D.16:

162.15 \$ 10,095,000 2010

162.16 \$ 10,095,000 2011

162.17 The 2010 appropriation includes \$1,009,000 for 2009 and \$9,086,000 for 2010.

162.18 The 2011 appropriation includes \$1,009,000 for 2010 and \$9,086,000 for 2011.

162.19 Subd. 3. **Early childhood family education aid.** For early childhood family
162.20 education aid under Minnesota Statutes, section 124D.135:

162.21 \$ 22,955,000 2010

162.22 \$ 22,547,000 2011

162.23 The 2010 appropriation includes \$3,020,000 for 2009 and \$19,935,000 for 2010.

162.24 The 2011 appropriation includes \$2,214,000 for 2010 and \$20,333,000 for 2011.

162.25 Subd. 4. **Health and developmental screening aid.** For health and developmental
162.26 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

162.27 \$ 3,694,000 2010

162.28 \$ 3,800,000 2011

162.29 The 2010 appropriation includes \$367,000 for 2009 and \$3,327,000 for 2010.

162.30 The 2011 appropriation includes \$369,000 for 2010 and \$3,431,000 for 2011.

163.1 Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes,
163.2 section 119A.52:

163.3 \$ 20,100,000 2010

163.4 \$ 20,100,000 2011

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

163.6 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
163.7 Minnesota Statutes, section 124D.129:

163.8 \$ 50,000 2010

163.9 \$ 50,000 2011

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

163.11 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
163.12 program. For the kindergarten entrance assessment initiative and intervention program
163.13 under Minnesota Statutes, section 124D.162:

163.14 \$ 287,000 2010

163.15 \$ 287,000 2011

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

163.17 Subd. 8. **Community education aid.** For community education aid under
163.18 Minnesota Statutes, section 124D.20:

163.19 \$ 585,000 2010

163.20 \$ 467,000 2011

163.21 The 2010 appropriation includes \$73,000 for 2009 and \$512,000 for 2010.

163.22 The 2011 appropriation included \$56,000 for 2010 and \$411,000 for 2011.

163.23 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
163.24 programs under Minnesota Statutes, section 124D.56:

163.25 \$ 710,000 2010

163.26 \$ 710,000 2011

163.27 The 2010 appropriation includes \$71,000 for 2009 and \$639,000 for 2010.

163.28 The 2011 appropriation includes \$71,000 for 2010 and \$639,000 for 2011.

163.29 Subd. 10. **Hearing-impaired adults.** For programs for hearing-impaired adults
163.30 under Minnesota Statutes, section 124D.57:

164.30 appropriated and dedicated for the purpose for which they are granted. The board must
165.1 annually by February 1 report to the education policy and finance committees of the
165.2 legislature the amount of money it received under this subdivision and the purpose for
165.3 which it was granted.

165.4 Sec. 2. Minnesota Statutes 2008, section 127A.08, is amended by adding a subdivision
165.5 to read:

165.6 Subd. 5. **Grants and gifts.** The commissioner may apply for and receive grants
165.7 and gifts administered by agencies of the state and other government or nongovernment
165.8 sources. Any money received is hereby appropriated and dedicated for the purpose for
165.9 which it is granted.

165.10 The commissioner must annually report to the education policy and finance
165.11 committees of the legislature by February 15 a list of all grants and gifts received and
165.12 applied for under this subdivision.

165.13 Sec. 3. **APPROPRIATIONS.**

165.14 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
165.15 indicated in this section are appropriated from the general fund to the Department of
165.16 Education for the fiscal years designated.

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

165.18 \$ 20,943,000 2010

165.19 \$ 20,943,000 2011

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

165.21 (b) \$260,000 each year is for the Minnesota Children's Museum.

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

165.23 (d) \$632,000 each year is for the Board of Teaching. Any balance in the first year
165.24 does not cancel but is available in the second year.

165.25 (e) \$171,000 each year is for the Board of School Administrators. Any balance in
165.26 the first year does not cancel but is available in the second year.

165.27 (f) \$40,000 each year is for an early hearing loss intervention coordinator under
165.28 Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal
165.29 funds to employ a hearing loss coordinator under Minnesota Statutes, section 125A.63,
165.30 subdivision 5, then the appropriation under this paragraph is reallocated for purposes of
165.31 employing a world languages coordinator.

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

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

166.3 (i) The expenditures of federal grants and aids as shown in the biennial budget
166.4 document and its supplements are approved and appropriated and shall be spent as
166.5 indicated. The commissioner must provide, to the K-12 Education Finance Division in
166.6 the house of representatives and the E-12 Budget Division in the senate, details about the
166.7 distribution of state incentive grants, education technology state grants, teacher incentive
166.8 funds, and statewide data system funds as outlined in the supplemental federal funds
166.9 submission dated March 25, 2009.

166.10 Subd. 3. **Board of Teaching; licensure by portfolio.** For the Board of Teaching
166.11 for licensure by portfolio:

166.12 \$ 30,000 2010

166.13 \$ 30,000 2011

166.14 This appropriation is from the education licensure portfolio account of the special
166.15 revenue fund.

166.16 Sec. 4. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

166.17 The sums indicated in this section are appropriated from the general fund to the
166.18 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

166.19 \$ 11,912,000 2010

166.20 \$ 11,912,000 2011

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

166.22 Sec. 5. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

166.23 The sums indicated in this section are appropriated from the general fund to the
166.24 Perpich Center for Arts Education for the fiscal years designated:

166.25 \$ 7,087,000 2010

166.26 \$ 7,087,000 2011

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

166.28 **ARTICLE 8**
166.29 **PUPIL TRANSPORTATION**

166.30 Section 1. Minnesota Statutes 2008, section 123B.92, subdivision 1, is amended to read:

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

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

167.5 (1) the sum of:

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

167.8 (ii) an amount equal to one year's depreciation on the district's school bus fleet
167.9 and mobile units computed on a straight line basis at the rate of 15 percent per year for
167.10 districts operating a program under section 124D.128 for grades 1 to 12 for all students in
167.11 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

167.12 (iii) an amount equal to one year's depreciation on the district's type ~~three school~~
167.13 ~~buses~~ III vehicles, as defined in section 169.011, subdivision 71, ~~clause (5)~~, which must be
167.14 used a majority of the time for pupil transportation purposes, computed on a straight line
167.15 basis at the rate of 20 percent per year of the cost of the type three school buses by:

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

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

167.20 (1) Regular transportation is:

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

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

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

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

167.33 (v) transportation to and from school during the regular school year required under
167.34 subdivision 3 for nonresident elementary pupils when the distance from the attendance
167.35 area border to the public school is one mile or more, and for nonresident secondary pupils

168.1 when the distance from the attendance area border to the public school is two miles or
168.2 more, excluding desegregation transportation and noon kindergarten transportation.

168.3 For the purposes of this paragraph, a district may designate a licensed day care
168.4 facility, school day care facility, respite care facility, the residence of a relative, or the
168.5 residence of a person chosen by the pupil's parent or guardian as the home of a pupil for
168.6 part or all of the day, if requested by the pupil's parent or guardian, and if that facility or
168.7 residence is within the attendance area of the school the pupil attends.

168.8 (2) Excess transportation is:

168.9 (i) transportation to and from school during the regular school year for resident
168.10 secondary pupils residing at least one mile but less than two miles from the public or
168.11 nonpublic school they attend, and transportation to and from school for resident pupils
168.12 residing less than one mile from school who are transported because of extraordinary
168.13 traffic, drug, or crime hazards; and

168.14 (ii) transportation to and from school during the regular school year required under
168.15 subdivision 3 for nonresident secondary pupils when the distance from the attendance area
168.16 border to the school is at least one mile but less than two miles from the public school
168.17 they attend, and for nonresident pupils when the distance from the attendance area border
168.18 to the school is less than one mile from the school and who are transported because of
168.19 extraordinary traffic, drug, or crime hazards.

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

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

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

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

168.32 (iii) necessary transportation for resident pupils with disabilities required by sections
168.33 125A.12, and 125A.26 to 125A.48;

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

169.1 (v) transportation from one educational facility to another within the district for
169.2 resident pupils enrolled on a shared-time basis in educational programs, and necessary
169.3 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils
169.4 with disabilities who are provided special instruction and services on a shared-time basis
169.5 or if resident pupils are not transported, the costs of necessary travel between public
169.6 and private schools or neutral instructional sites by essential personnel employed by the
169.7 district's program for children with a disability;

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

169.10 (vii) services described in clauses (i) to (vi), when provided for pupils with
169.11 disabilities in conjunction with a summer instructional program that relates to the pupil's
169.12 individual education plan or in conjunction with a learning year program established
169.13 under section 124D.128.

169.14 For purposes of computing special education initial aid under section 125A.76,
169.15 subdivision 2, the cost of providing transportation for children with disabilities includes
169.16 (A) the additional cost of transporting a homeless student from a temporary nonshelter
169.17 home in another district to the school of origin, or a formerly homeless student from a
169.18 permanent home in another district to the school of origin but only through the end of the
169.19 academic year; and (B) depreciation on district-owned school buses purchased after July 1,
169.20 2005, and used primarily for transportation of pupils with disabilities, calculated according
169.21 to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled
169.22 transportation category must be excluded in calculating the actual expenditure per pupil
169.23 transported in the regular and excess transportation categories according to paragraph (a).

169.24 (5) "Nonpublic nonregular transportation" is:

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

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

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

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

170.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010.

170.2 Sec. 2. Minnesota Statutes 2008, section 169.011, subdivision 71, is amended to read:

170.3 Subd. 71. **School bus.** (a) "School bus" means a motor vehicle used to transport
 170.4 pupils to or from a school defined in section 120A.22, or to or from school-related
 170.5 activities, by the school or a school district, or by someone under an agreement with the
 170.6 school or a school district. A school bus does not include a motor vehicle transporting
 170.7 children to or from school for which parents or guardians receive direct compensation
 170.8 from a school district, a motor coach operating under charter carrier authority, a transit
 170.9 bus providing services as defined in section 174.22, subdivision 7, ~~a multifunction school~~
 170.10 ~~activity bus as defined by federal motor vehicle safety standards,~~ or a vehicle otherwise
 170.11 qualifying as a type III vehicle under ~~paragraph (5)~~ clause (6), when the vehicle is properly
 170.12 registered and insured and being driven by an employee or agent of a school district for
 170.13 nonscheduled or nonregular transportation.

170.14 (b) A school bus may be type A, type B, type C, or type D, multifunction school
 170.15 activity bus, or type III as follows: provided in paragraphs (c) to (h).

170.16 ~~(1)~~ (c) A "type A school bus" is a van conversion or bus constructed utilizing a
 170.17 cutaway front section vehicle with a left-side driver's door. ~~The entrance door is behind the~~
 170.18 ~~front wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle
 170.19 weight rating (GVWR) less than or equal to ~~10,000~~ 14,500 pounds; and type A-II, with a
 170.20 GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

170.21 ~~(2)~~ (d) A "type B school bus" is constructed utilizing a stripped chassis. The
 170.22 entrance door is behind the front wheels. This definition includes two classifications: type
 170.23 B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR
 170.24 greater than 10,000 pounds.

170.25 ~~(3)~~ (e) A "type C school bus" is constructed utilizing a chassis with a hood and front
 170.26 fender assembly. The entrance door is behind the front wheels. A "type C school bus" also
 170.27 includes a cutaway truck chassis or truck chassis with cab, with or without a left side door,
 170.28 and with a GVWR greater than 21,500 pounds.

170.29 ~~(4)~~ (f) A "type D school bus" is constructed utilizing a stripped chassis. The entrance
 170.30 door is ahead of the front wheels.

170.31 ~~(5)~~ (g) A "multifunction school activity bus" is a school bus that meets the definition
 170.32 of a multifunction school activity bus in Code of Federal Regulations, title 49, section
 170.33 571.3. A vehicle that meets the definition of a type III vehicle is not a multifunction
 170.34 school activity bus.

171.1 (h) A "Type III ~~vehicles are~~ vehicle" is restricted to passenger cars, station wagons,
171.2 vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer
171.3 people, including the driver, and a gross vehicle weight rating of 10,000 pounds or
171.4 less. ~~In this subdivision, "gross vehicle weight rating" means the value specified by the~~
171.5 ~~manufacturer as the loaded weight of a single vehicle.~~ A "type III vehicle" must not be
171.6 outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D
171.7 Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in
171.8 service on or after August 1, 1999, must have been originally manufactured to comply
171.9 with the passenger safety standards.

171.10 (i) In this subdivision, "gross vehicle weight rating" means the value specified by
171.11 the manufacturer as the loaded weight of a single vehicle.

171.12 **EFFECTIVE DATE.** This section is effective July 1, 2009.

171.13 Sec. 3. Minnesota Statutes 2008, section 169.443, subdivision 9, is amended to read:

171.14 Subd. 9. **Personal cellular phone call prohibition.** (a) As used in this subdivision,
171.15 "school bus" has the meaning given in section 169.011, subdivision 71. In addition, the
171.16 term includes type III vehicles as ~~described~~ defined in section 169.011, subdivision 71,
171.17 ~~clause (5)~~, when driven by employees or agents of school districts.

171.18 (b) A school bus driver may not operate a school bus while communicating over, or
171.19 otherwise operating, a cellular phone for personal reasons, whether handheld or hands
171.20 free, when the vehicle is in motion.

171.21 Sec. 4. Minnesota Statutes 2008, section 169.4501, subdivision 1, is amended to read:

171.22 Subdivision 1. **National standards adopted.** Except as provided in sections
171.23 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C,
171.24 ~~D and multifunctional~~ school buses and multifunction school activity ~~bus school~~ buses
171.25 used for the transportation of school children shall meet the requirements of the "bus
171.26 chassis standards" and "bus body standards" in the 2005 edition of the "National School
171.27 Transportation Specifications and Procedures" adopted by the National Congress on
171.28 School Transportation. Except as provided in section 169.4504, the construction, design,
171.29 and equipment of types A, B, C, ~~D and multifunctional~~ school buses and multifunction
171.30 school activity ~~bus school~~ buses used for the transportation of students with disabilities
171.31 also shall meet the requirements of the "specially equipped school bus standards" in the
171.32 2005 National School Transportation Specifications and Procedures. The "bus chassis
171.33 standards," "bus body standards," and "specially equipped school bus standards" sections

172.1 of the 2005 edition of the "National School Transportation Specifications and Procedures"
172.2 are incorporated by reference in this chapter.

172.3 Sec. 5. Minnesota Statutes 2008, section 169.4503, subdivision 20, is amended to read:

172.4 Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats
172.5 shall be covered with a material that has fire retardant or fire block characteristics.

172.6 (b) All seats must have a minimum cushion depth of 15 inches and a seat back
172.7 height of at least 20 inches above the seating reference point, and beginning October 21,
172.8 2009, must also conform to the Federal Motor Vehicle Safety Standard in Code of Federal
172.9 Regulations, title 49, section 571.222.

172.10 Sec. 6. Minnesota Statutes 2008, section 169.4503, is amended by adding a subdivision
172.11 to read:

172.12 Subd. 27. **Tailpipe.** (a) The tailpipe must not extend more than two inches beyond
172.13 the perimeter of the body for a side-exit pipe or beyond the bumper for a rear-exit pipe.

172.14 (b) The tailpipe must exit either in the rear of the vehicle or to the left side of the bus
172.15 in front of or behind the rear drive axle. The tailpipe exit location on all type A-I or B-I
172.16 buses must be in accordance with the manufacturer's standards. The tailpipe must not exit
172.17 beneath any fuel filler location or beneath any emergency door.

172.18 **EFFECTIVE DATE.** This section is effective the day following final enactment
172.19 and applies retroactive to December 31, 2007, through January 1, 2012.

172.20 Sec. 7. Minnesota Statutes 2008, section 169.454, subdivision 13, is amended to read:

172.21 Subd. 13. **Exemption.** When a vehicle otherwise qualifying as a type III vehicle
172.22 under section 169.011, subdivision 71, ~~clause (5)~~, whether owned and operated by a
172.23 school district or privately owned and operated, is used to transport school children in a
172.24 nonscheduled situation, it shall be exempt from the vehicle requirements of this section
172.25 and the licensing requirements of section 171.321, if the vehicle is properly registered
172.26 and insured and operated by an employee or agent of a school district with a valid driver's
172.27 license.

172.28 Sec. 8. Minnesota Statutes 2008, section 169A.03, subdivision 23, is amended to read:

172.29 Subd. 23. **School bus.** "School bus" has the meaning given in section 169.011,
172.30 subdivision 71. In addition, the term includes type III vehicles as ~~described~~ defined in
172.31 section 169.011, subdivision 71, ~~clause (5)~~, when driven by employees or agents of school
172.32 districts.

173.1 Sec. 9. Minnesota Statutes 2008, section 171.01, subdivision 22, is amended to read:

173.2 Subd. 22. **Commercial motor vehicle.** "Commercial motor vehicle" means a motor
173.3 vehicle or combination of motor vehicles used to transport passengers or property if
173.4 the motor vehicle:

173.5 (1) has a gross vehicle weight of more than 26,000 pounds;

173.6 (2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the
173.7 combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

173.8 (3) is a bus;

173.9 (4) is of any size and is used in the transportation of hazardous materials that are
173.10 required to be placarded under Code of Federal Regulations, title 49, parts 100-185; or

173.11 (5) is outwardly equipped and identified as a school bus, except for type III vehicles
173.12 defined in section 169.011, subdivision 71, ~~clause (5)~~.

173.13 Sec. 10. Minnesota Statutes 2008, section 171.02, subdivision 2, is amended to read:

173.14 Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers'
173.15 licenses are classified according to the types of vehicles that may be driven by the holder
173.16 of each type or class of license. The commissioner may, as appropriate, subdivide the
173.17 classes listed in this subdivision and issue licenses classified accordingly.

173.18 (b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no
173.19 class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer
173.20 or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless
173.21 so endorsed. There are four general classes of licenses as described in paragraphs (c)
173.22 through (f).

173.23 (c) Class D drivers' licenses are valid for:

173.24 (1) operating all farm trucks if the farm truck is:

173.25 (i) controlled and operated by a farmer, including operation by an immediate family
173.26 member or an employee of the farmer;

173.27 (ii) used to transport agricultural products, farm machinery, or farm supplies,
173.28 including hazardous materials, to or from a farm;

173.29 (iii) not used in the operations of a common or contract motor carrier as governed by
173.30 Code of Federal Regulations, title 49, part 365; and

173.31 (iv) used within 150 miles of the farm;

173.32 (2) notwithstanding paragraph (b), operating an authorized emergency vehicle, as
173.33 defined in section 169.011, subdivision 3, whether or not in excess of 26,000 pounds
173.34 gross vehicle weight;

- 174.1 (3) operating a recreational vehicle as defined in section 168.002, subdivision 27,
174.2 that is operated for personal use;
- 174.3 (4) operating all single-unit vehicles except vehicles with a gross vehicle weight of
174.4 more than 26,000 pounds, vehicles designed to carry more than 15 passengers including
174.5 the driver, and vehicles that carry hazardous materials;
- 174.6 (5) notwithstanding paragraph (d), operating a type A school bus or a ~~multifunctional~~
174.7 multifunction school activity bus without a school bus endorsement if:
- 174.8 ~~(i) the bus has a gross vehicle weight of 10,000 pounds or less;~~
174.9 ~~(ii) the bus is designed to transport 15 or fewer passengers, including the driver; and~~
174.10 ~~(iii) the requirements of subdivision 2a are satisfied, as determined by the~~
174.11 commissioner;
- 174.12 (6) operating any vehicle or combination of vehicles when operated by a licensed
174.13 peace officer while on duty; and
- 174.14 (7) towing vehicles if:
- 174.15 (i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or
174.16 (ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and
174.17 the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.
- 174.18 (d) Class C drivers' licenses are valid for:
- 174.19 (1) operating class D motor vehicles;
- 174.20 (2) with a hazardous materials endorsement, operating class D vehicles to transport
174.21 hazardous materials;
- 174.22 (3) with a passenger endorsement, operating buses; and
- 174.23 (4) with a passenger endorsement and school bus endorsement, operating school
174.24 buses.
- 174.25 (e) Class B drivers' licenses are valid for:
- 174.26 (1) operating all class C motor vehicles, class D motor vehicles, and all other
174.27 single-unit motor vehicles including, with a passenger endorsement, buses; and
- 174.28 (2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.
- 174.29 (f) Class A drivers' licenses are valid for operating any vehicle or combination of
174.30 vehicles.

174.31 Sec. 11. Minnesota Statutes 2008, section 171.02, subdivision 2a, is amended to read:

174.32 Subd. 2a. **Exception for certain school bus drivers.** Notwithstanding subdivision
174.33 2, paragraph ~~(e)~~ (b), the holder of a class D driver's license, without a school bus
174.34 endorsement, may operate a type A school bus ~~described in subdivision 2, paragraph (b),~~
174.35 or a multifunction school activity bus under the following conditions:

175.1 (a) The operator is an employee of the entity that owns, leases, or contracts for the
175.2 school bus and is not solely hired to provide transportation services under this subdivision.

175.3 (b) The operator drives the school bus only from points of origin to points of
175.4 destination, not including home-to-school trips to pick up or drop off students.

175.5 (c) The operator is prohibited from using the eight-light system. Violation of this
175.6 paragraph is a misdemeanor.

175.7 (d) The operator's employer has adopted and implemented a policy that provides for
175.8 annual training and certification of the operator in:

175.9 (1) safe operation of the type of school bus the operator will be driving;

175.10 (2) understanding student behavior, including issues relating to students with
175.11 disabilities;

175.12 (3) encouraging orderly conduct of students on the bus and handling incidents of
175.13 misconduct appropriately;

175.14 (4) knowing and understanding relevant laws, rules of the road, and local school
175.15 bus safety policies;

175.16 (5) handling emergency situations; and

175.17 (6) safe loading and unloading of students.

175.18 (e) A background check or background investigation of the operator has been
175.19 conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03
175.20 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321,
175.21 subdivision 3, for all other persons operating a ~~type A~~ school bus under this subdivision.

175.22 (f) Operators shall submit to a physical examination as required by section 171.321,
175.23 subdivision 2.

175.24 (g) The operator's driver's license is verified annually by the entity that owns, leases,
175.25 or contracts for the school bus.

175.26 (h) A person who sustains a conviction, as defined under section 609.02, of violating
175.27 section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute
175.28 or ordinance of another state is precluded from operating a school bus for five years
175.29 from the date of conviction.

175.30 (i) A person who has ever been convicted of a disqualifying offense as defined in
175.31 section 171.3215, subdivision 1, paragraph (c), may not operate a school bus under this
175.32 subdivision.

175.33 (j) A person who sustains a conviction, as defined under section 609.02, of a fourth
175.34 moving offense in violation of chapter 169 is precluded from operating a school bus for
175.35 one year from the date of the last conviction.

176.1 (k) Students riding the school bus must have training required under section
176.2 123B.90, subdivision 2.

176.3 (l) An operator must be trained in the proper use of child safety restraints as set
176.4 forth in the National Highway Traffic Safety Administration's "Guideline for the Safe
176.5 Transportation of Pre-school Age Children in School Buses," if child safety restraints are
176.6 used by the passengers.

176.7 (m) Annual certification of the requirements listed in this subdivision must be
176.8 maintained under separate file at the business location for each operator licensed under
176.9 this subdivision and subdivision 2, paragraph (b), clause (5). The business manager,
176.10 school board, governing body of a nonpublic school, or any other entity that owns,
176.11 leases, or contracts for the school bus operating under this subdivision is responsible
176.12 for maintaining these files for inspection.

176.13 (n) The school bus must bear a current certificate of inspection issued under section
176.14 169.451.

176.15 (o) If the word "School" appears on the front and rear of the bus, the word "School"
176.16 must be covered by a sign that reads "Activities" when the bus is being operated under
176.17 authority of this subdivision.

176.18 (p) The type A-I school bus or multifunction school activity bus is designed to
176.19 transport 15 or fewer passengers, including the driver.

176.20 (q) The school bus or multifunction school activity bus has a gross vehicle weight
176.21 rating of 14,500 pounds or less.

176.22 **EFFECTIVE DATE.** This section is effective July 1, 2010.

176.23 Sec. 12. Minnesota Statutes 2008, section 171.321, subdivision 1, is amended to read:

176.24 Subdivision 1. **Endorsement.** No person shall drive a school bus when transporting
176.25 school children to or from school or upon a school-related trip or activity without having a
176.26 valid class A, class B, or class C driver's license with a school bus endorsement except
176.27 that a person possessing a valid driver's license but not a school bus endorsement may
176.28 drive a type III vehicle or a school bus, subject to the requirements of section 171.02,
176.29 subdivisions 2, 2a, and 2b.

176.30 Sec. 13. Minnesota Statutes 2008, section 171.321, subdivision 4, is amended to read:

176.31 Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when
176.32 transporting school children to or from school or upon a school-related trip or activity
176.33 without having demonstrated sufficient skills and knowledge to transport students in
176.34 a safe and legal manner.

177.1 (b) A bus driver must have training or experience that allows the driver to meet at
177.2 least the following competencies:

177.3 (1) safely operate the type of school bus the driver will be driving;

177.4 (2) understand student behavior, including issues relating to students with
177.5 disabilities;

177.6 (3) encourage orderly conduct of students on the bus and handle incidents of
177.7 misconduct appropriately;

177.8 (4) know and understand relevant laws, rules of the road, and local school bus
177.9 safety policies;

177.10 (5) handle emergency situations; and

177.11 (6) safely load and unload students.

177.12 (c) The commissioner of public safety shall develop a comprehensive model
177.13 school bus driver training program and model assessments for school bus driver training
177.14 competencies, which are not subject to chapter 14. A school district, nonpublic school, or
177.15 private contractor may use alternative assessments for bus driver training competencies
177.16 with the approval of the commissioner of public safety. A driver may receive at least eight
177.17 hours of school bus in-service training any year, as an alternative to being assessed for bus
177.18 driver competencies after the initial year of being assessed for bus driver competencies.
177.19 The employer shall keep the assessment or a record of the in-service training for the
177.20 current period available for inspection by representatives of the commissioner.

177.21 (d) A school district, nonpublic school, or private contractor shall provide in-service
177.22 training annually to each school bus driver.

177.23 Sec. 14. Minnesota Statutes 2008, section 171.321, subdivision 5, is amended to read:

177.24 Subd. 5. **Annual evaluation and license verification.** (a) ~~A school district,~~
177.25 ~~nonpublic school, or private contractor shall provide in-service training annually to each~~
177.26 ~~school bus driver.~~ For purposes of this section, "annually" means at least once every
177.27 380 days from the initial or previous evaluation and at least once every 380 days from
177.28 the initial or previous license verification.

177.29 (b) A school district, nonpublic school, or private contractor shall annually verify
177.30 with the National Driver Register or with the Department of Public Safety the validity of
177.31 the driver's license of each employee who regularly transports students for the district in:
177.32 (1) a type A school bus, a type B school bus, a type C school bus, or type D school bus; (2)
177.33 a multifunction school activity bus; or regularly transports students for the district in (3) a
177.34 type III vehicle ~~with the National Driver Register or with the Department of Public Safety.~~

177.35 **EFFECTIVE DATE.** This section is effective July 1, 2010.

178.1 **ARTICLE 9**

178.2 **FORECAST ADJUSTMENTS**

178.3 **A. GENERAL EDUCATION**

178.4 Section 1. Laws 2007, chapter 146, article 1, section 24, subdivision 2, as amended by
178.5 Laws 2008, chapter 363, article 3, section 1, is amended to read:

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

178.8 \$ 5,600,647,000 2008

178.9 \$ ~~5,649,098,000~~ 2009

178.10 5,644,263,000

178.11 The 2008 appropriation includes \$536,251,000 for 2007 and \$5,064,396,000 for
178.12 2008.

178.13 The 2009 appropriation includes ~~\$543,752,000~~ \$533,760,000 for 2008 and
178.14 ~~\$5,105,346,000~~ \$5,110,503,000 for 2009.

178.15 Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 4, as amended by
178.16 Laws 2008, chapter 363, article 3, section 3, is amended to read:

178.17 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending
178.18 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation
178.19 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

178.20 \$ 48,000 2008

178.21 \$ ~~50,000~~ 45,000 2009

178.22 Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 5, as amended by
178.23 Laws 2008, chapter 363, article 3, section 4, is amended to read:

178.24 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
178.25 127A.49:

178.26 \$ 1,333,000 2008

178.27 \$ ~~1,629,000~~ 2009

178.28 1,407,000

178.29 The 2008 appropriation includes \$76,000 for 2007 and \$1,257,000 for 2008.

179.1 The 2009 appropriation includes \$139,000 for 2008 and ~~\$1,490,000~~ \$1,268,000
179.2 for 2009.

179.3 Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 6, as amended by
179.4 Laws 2008, chapter 363, article 3, section 5, is amended to read:

179.5 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota
179.6 Statutes, section 123A.485:

179.7 \$ 240,000 2008

179.8 \$ ~~339,000~~ 21,000 2009

179.9 The 2008 appropriation includes \$43,000 for 2007 and \$197,000 for 2008.

179.10 The 2009 appropriation includes \$21,000 for 2008 and ~~\$318,000~~ \$0 for 2009.

179.11 Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 7, as amended by
179.12 Laws 2008, chapter 363, article 3, section 6, is amended to read:

179.13 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under
179.14 Minnesota Statutes, sections 123B.40 to 123B.43, and 123B.87:

179.15 \$ 15,601,000 2008

179.16 \$ ~~16,608,000~~ 2009

179.17 16,271,000

179.18 The 2008 appropriation includes \$1,214,000 for 2007 and \$14,387,000 for 2008.

179.19 The 2009 appropriation includes ~~\$1,598,000~~ \$1,439,000 for 2008 and ~~\$15,010,000~~
179.20 \$14,832,000 for 2009.

179.21 Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 8, as amended by
179.22 Laws 2008, chapter 363, article 3, section 7, is amended to read:

179.23 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid
179.24 under Minnesota Statutes, section 123B.92, subdivision 9:

179.25 \$ 20,755,000 2008

179.26 \$ ~~21,007,000~~ 2009

179.27 20,739,000

179.28 The 2008 appropriation includes \$2,124,000 for 2007 and \$18,631,000 for 2008.

179.29 The 2009 appropriation includes ~~\$2,070,000~~ \$2,037,000 for 2008 and ~~\$18,937,000~~
179.30 \$18,702,000 for 2009.

180.1

B. EDUCATION EXCELLENCE

180.2 Sec. 7. Laws 2007, chapter 146, article 2, section 46, subdivision 2, as amended by
180.3 Laws 2008, chapter 363, article 3, section 8, is amended to read:

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

180.6 \$ 32,817,000 2008

180.7 \$ ~~37,527,000~~ 2009

180.8 36,605,000

180.9 The 2008 appropriation includes \$2,814,000 for 2007 and \$30,003,000 for 2008.

180.10 The 2009 appropriation includes ~~\$3,333,000~~ \$3,264,000 for 2008 and ~~\$34,194,000~~

180.11 \$33,341,000 for 2009.

180.12 Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 3, as amended by
180.13 Laws 2008, chapter 363, article 3, section 9, is amended to read:

180.14 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid
180.15 under Minnesota Statutes, section 124D.11:

180.16 \$ 1,801,000 2008

180.17 \$ ~~1,987,000~~ 2009

180.18 1,982,000

180.19 The 2008 appropriation includes \$239,000 for 2007 and \$1,562,000 for 2008.

180.20 The 2009 appropriation includes ~~\$173,000~~ \$162,000 for 2008 and ~~\$1,814,000~~

180.21 \$1,820,000 for 2009.

180.22 Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 4, as amended by
180.23 Laws 2008, chapter 363, article 3, section 10, is amended to read:

180.24 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
180.25 124D.86, subdivision 5:

180.26 \$ 59,036,000 2008

180.27 \$ ~~62,448,000~~ 2009

180.28 60,826,000

180.29 The 2008 appropriation includes \$5,824,000 for 2007 and \$53,212,000 for 2008.

181.1 The 2009 appropriation includes ~~\$5,912,000~~ \$5,833,000 for 2008 and ~~\$56,536,000~~
181.2 \$54,993,000 for 2009.

181.3 Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 6, as amended by
181.4 Laws 2008, chapter 363, article 3, section 11, is amended to read:

181.5 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
181.6 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
181.7 section 124D.87:

181.8 \$ 9,901,000 2008

181.9 \$ ~~11,881,000~~ 2009

181.10 11,947,000

181.11 Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 9, as amended by
181.12 Laws 2008, chapter 363, article 3, section 12, is amended to read:

181.13 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
181.14 Statutes, section 124D.83:

181.15 \$ 2,207,000 2008

181.16 \$ ~~2,392,000~~ 2009

181.17 1,844,000

181.18 The 2008 appropriation includes \$204,000 for 2007 and \$2,003,000 for 2008.

181.19 The 2009 appropriation includes ~~\$222,000~~ \$122,000 for 2008 and ~~\$2,170,000~~
181.20 \$1,722,000 for 2009.

181.21 **C. SPECIAL EDUCATION**

181.22 Sec. 12. Laws 2007, chapter 146, article 3, section 24, subdivision 3, as amended by
181.23 Laws 2008, chapter 363, article 3, section 13, is amended to read:

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

181.27 \$ 2,086,000 2008

181.28 \$ ~~2,282,000~~ 2009

181.29 1,556,000

182.1 If the appropriation for either year is insufficient, the appropriation for the other
182.2 year is available.

182.3 Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 4, as amended by
182.4 Laws 2008, chapter 363, article 3, section 14, is amended to read:

182.5 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
182.6 services under Minnesota Statutes, section 125A.75, subdivision 1:

182.7 \$ 207,000 2008

182.8 \$ ~~227,000~~ 237,000 2009

182.9 The 2008 appropriation includes \$22,000 for 2007 and \$185,000 for 2008.

182.10 The 2009 appropriation includes ~~\$20,000~~ \$21,000 for 2008 and ~~\$207,000~~ \$216,000
182.11 for 2009.

182.12 Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 7, is amended to
182.13 read:

182.14 Subd. 7. **Court-placed special education revenue.** For reimbursing serving
182.15 school districts for unreimbursed eligible expenditures attributable to children placed in
182.16 the serving school district by court action under Minnesota Statutes, section 125A.79,
182.17 subdivision 4:

182.18 \$ 72,000 2008

182.19 \$ 74,000 2009

182.20 **D. FACILITIES AND TECHNOLOGY**

182.21 Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, as amended by
182.22 Laws 2008, chapter 363, article 3, section 15, is amended to read:

182.23 Subd. 2. **Health and safety revenue.** For health and safety aid according to
182.24 Minnesota Statutes, section 123B.57, subdivision 5:

182.25 \$ 254,000 2008

182.26 \$ ~~103,000~~ 119,000 2009

182.27 The 2008 appropriation includes \$20,000 for 2007 and \$234,000 for 2008.

182.28 The 2009 appropriation includes ~~\$26,000~~ \$23,000 for 2008 and ~~\$77,000~~ \$96,000
182.29 for 2009.

183.1 Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 6, as amended by
183.2 Laws 2008, chapter 363, article 3, section 17, is amended to read:

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

183.5 \$ 3,232,000 2008

183.6 \$ ~~2,627,000~~ 2009

183.7 2,720,000

183.8 The 2008 appropriation includes \$0 for 2007 and \$3,232,000 for 2008.

183.9 The 2009 appropriation includes ~~\$359,000~~ \$371,000 for 2008 and ~~\$2,268,000~~

183.10 \$2,349,000 for 2009.

183.11 Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 8, as amended by
183.12 Laws 2008, chapter 363, article 3, section 18, is amended to read:

183.13 Subd. 8. **School technology and operating capital aid grants.** For school
183.14 technology and operating capital grants under section 11:

183.15 \$ 38,236,000 2008

183.16 \$ ~~52,454,000~~ 2009

183.17 52,254,000

183.18 This is a onetime appropriation.

183.19 **E. NUTRITION**

183.20 Sec. 18. Laws 2007, chapter 146, article 5, section 13, subdivision 2, as amended by
183.21 Laws 2008, chapter 363, article 3, section 19, is amended to read:

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

183.24 \$ 12,094,000 2008

183.25 \$ ~~12,394,000~~ 2009

183.26 12,298,000

183.27 Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 3, as amended by
183.28 Laws 2008, chapter 363, article 2, section 40, is amended to read:

184.1 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
184.2 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
184.3 124D.118:

184.4 \$ 5,583,000 2008

184.5 \$ ~~6,396,000~~ 2009

184.6 5,801,000

184.7 The 2009 appropriation includes \$4,725,000 for traditional school breakfast and
184.8 \$1,076,000 for kindergarten milk.

184.9 **F. EARLY CHILDHOOD EDUCATION**

184.10 Sec. 20. Laws 2007, chapter 146, article 9, section 17, subdivision 2, as amended by
184.11 Laws 2008, chapter 363, article 3, section 21, is amended to read:

184.12 Subd. 2. **Early childhood family education aid.** For early childhood family
184.13 education aid under Minnesota Statutes, section 124D.135:

184.14 \$ 21,092,000 2008

184.15 \$ ~~29,324,000~~ 2009

184.16 29,326,000

184.17 The 2008 appropriation includes \$1,796,000 for 2007 and \$19,296,000 for 2008.

184.18 The 2009 appropriation includes \$2,144,000 for 2008 and ~~\$27,180,000~~ \$27,182,000
184.19 for 2009.

184.20 Sec. 21. Laws 2007, chapter 146, article 9, section 17, subdivision 4, as amended by
184.21 Laws 2008, chapter 363, article 2, section 42, is amended to read:

184.22 Subd. 4. **Health and developmental screening aid.** For health and developmental
184.23 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

184.24 \$ 2,624,000 2008

184.25 \$ ~~3,592,000~~ 2009

184.26 3,552,000

184.27 The 2008 appropriation includes \$288,000 for 2007 and \$2,336,000 for 2008.

184.28 The 2009 appropriation includes ~~\$259,000~~ \$247,000 for 2008 and ~~\$3,333,000~~
184.29 \$3,305,000 for 2009.

184.30 **G. PREVENTION**

185.1 Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 8, as amended by
185.2 Laws 2008, chapter 363, article 3, section 23, is amended to read:

185.3 Subd. 8. **Community education aid.** For community education aid under
185.4 Minnesota Statutes, section 124D.20:

185.5 \$ 1,299,000 2008

185.6 \$ ~~796,000~~ 785,000 2009

185.7 The 2008 appropriation includes \$195,000 for 2007 and \$1,104,000 for 2008.

185.8 The 2009 appropriation includes \$122,000 for 2008 and ~~\$674,000~~ \$663,000 for 2009.

185.9 Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 9, as amended by
185.10 Laws 2008, chapter 363, article 3, section 24, is amended to read:

185.11 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
185.12 programs under Minnesota Statutes, section 124D.56:

185.13 \$ 709,000 2008

185.14 \$ 710,000 2009

185.15 The 2008 appropriation includes \$70,000 for 2007 and \$639,000 for 2008.

185.16 The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

185.17 School districts operating existing adults with disabilities programs that are not fully
185.18 funded shall receive full funding for the program beginning in fiscal year 2008 before the
185.19 commissioner awards grants to other districts.

185.20 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

185.21 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 13, as amended by
185.22 Laws 2008, chapter 363, article 3, section 25, is amended to read:

185.23 Subd. 13. **Adult basic education aid.** For adult basic education aid under
185.24 Minnesota Statutes, section 124D.531:

185.25 \$ 40,344,000 2008

185.26 \$ ~~41,712,000~~ 2009

185.27 41,749,000

185.28 The 2008 appropriation includes \$3,759,000 for 2007 and \$36,585,000 for 2008.

185.29 The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,647,000~~ \$37,684,000
185.30 for 2009.

186.1

ARTICLE 10

186.2

TECHNICAL CORRECTIONS

186.3 Section 1. Minnesota Statutes 2008, section 120A.22, subdivision 7, is amended to
186.4 read:

186.5 Subd. 7. **Education records.** (a) A district, a charter school, or a nonpublic school
186.6 that receives services or aid under sections 123B.40 to 123B.48 from which a student is
186.7 transferring must transmit the student's educational records, within ten business days of a
186.8 request, to the district, the charter school, or the nonpublic school in which the student is
186.9 enrolling. Districts, charter schools, and nonpublic schools that receive services or aid
186.10 under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district,
186.11 the charter school, or the nonpublic school in which a transferring student is next enrolling
186.12 in order to comply with this subdivision.

186.13 (b) A closed charter school must transfer the student's educational records, within
186.14 ten business days of the school's closure, to the student's school district of residence
186.15 where the records must be retained unless the records are otherwise transferred under
186.16 this subdivision.

186.17 (c) A school district, a charter school, or a nonpublic school that receives services
186.18 or aid under sections 123B.40 to 123B.48 that transmits a student's educational records
186.19 to another school district or other educational entity, charter school, or nonpublic school
186.20 to which the student is transferring must include in the transmitted records information
186.21 about any formal suspension, expulsion, and exclusion disciplinary action under sections
186.22 121A.40 to 121A.56. The district, the charter school, or the nonpublic school that receives
186.23 services or aid under sections 123B.40 to 123B.48 must provide notice to a student and
186.24 the student's parent or guardian that formal disciplinary records will be transferred as
186.25 part of the student's educational record, in accordance with data practices under chapter
186.26 13 and the Family Educational Rights and Privacy Act of 1974, United States Code,
186.27 title 20, section 1232(g).

186.28 (d) Notwithstanding section 138.17, a principal or chief administrative officer
186.29 must remove from a student's educational record and destroy a probable cause notice
186.30 received under section 260B.171, subdivision 5, or paragraph ~~(d)~~ (e), if one year has
186.31 elapsed since the date of the notice and the principal or chief administrative officer has not
186.32 received a disposition or court order related to the offense described in the notice. This
186.33 paragraph does not apply if the student no longer attends the school when this one-year
186.34 period expires.

187.1 (e) A principal or chief administrative officer who receives a probable cause notice
187.2 under section 260B.171, subdivision 5, or a disposition or court order, must include a copy
187.3 of that data in the student's educational records if they are transmitted to another school,
187.4 unless the data are required to be destroyed under paragraph ~~(e)~~ (d) or section 121A.75.

187.5 Sec. 2. Minnesota Statutes 2008, section 126C.10, subdivision 24, is amended to read:

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

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

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

187.13 (b) Equity revenue for a qualifying district that receives referendum revenue under
187.14 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal
187.15 cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school
187.16 district's equity index computed under subdivision 27.

187.17 (c) Equity revenue for a qualifying district that does not receive referendum revenue
187.18 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal
187.19 cost pupil units for that year times \$13.

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

187.26 (e) A school district's equity revenue for a school district located in the metro equity
187.27 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

187.28 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school
187.29 district that has per pupil referendum revenue below the 95th percentile qualifies for
187.30 additional equity revenue equal to \$46 times its adjusted marginal cost pupil units.

187.31 (g) A district that does not qualify for revenue under paragraph (f) qualifies for
187.32 equity revenue equal to \$46 times its adjusted marginal cost pupil units."

187.33 Delete the title and insert:

187.34 "A bill for an act

187.35 relating to state government; providing for policy and funding for family, adult,
187.36 and prekindergarten through grade 12 education including general education,

188.1 education excellence, special programs, facilities and technology, libraries,
 188.2 nutrition, accounting, early childhood education, prevention, self-sufficiency,
 188.3 lifelong learning, state agencies, pupil transportation, forecast adjustments,
 188.4 and technical corrections; requiring reports; requiring studies; appropriating
 188.5 money; amending Minnesota Statutes 2008, sections 13.32, by adding a
 188.6 subdivision; 16A.06, subdivision 11; 119A.52; 120A.22, subdivisions 7, 12;
 188.7 120A.40; 120B.02; 120B.022, subdivision 1; 120B.023, subdivision 2; 120B.11,
 188.8 subdivision 5; 120B.30; 120B.31, subdivisions 1, 3, 4; 120B.35; 120B.36;
 188.9 121A.41, subdivisions 7, 10; 121A.43; 122A.06, subdivision 4; 122A.07,
 188.10 subdivisions 2, 3; 122A.09, subdivisions 4, 7; 122A.18, subdivisions 2a, 4;
 188.11 122A.31, subdivision 4; 122A.40, subdivisions 6, 8; 122A.41, subdivisions 3,
 188.12 5; 122A.413, subdivision 2; 122A.414, subdivision 2b; 122A.60, subdivision 2;
 188.13 123A.05; 123A.06; 123A.08; 123A.73, subdivisions 4, 5; 123B.02, subdivision
 188.14 21; 123B.03, subdivision 1; 123B.10, subdivision 1; 123B.14, subdivision 7;
 188.15 123B.143, subdivision 1; 123B.51, by adding a subdivision; 123B.54; 123B.57,
 188.16 subdivision 1; 123B.59, subdivisions 2, 3, 3a; 123B.70, subdivision 1; 123B.71,
 188.17 subdivisions 1, 8, 9, 12; 123B.77, subdivision 3; 123B.79, subdivision 7;
 188.18 123B.81, subdivisions 3, 4, 5; 123B.83, subdivision 3; 123B.92, subdivision
 188.19 1; 124D.095, subdivisions 2, 3, 4, 7, 10; 124D.10; 124D.11, subdivision 9;
 188.20 124D.128, subdivisions 2, 3; 124D.13, subdivision 13; 124D.135, subdivision
 188.21 3; 124D.15, subdivision 3; 124D.19, subdivisions 10, 14; 124D.42, subdivision
 188.22 6, by adding a subdivision; 124D.522; 124D.68, subdivisions 2, 3, 4, 5;
 188.23 124D.83, subdivision 4; 124D.86, subdivisions 1, 1a, 1b; 125A.02; 125A.07;
 188.24 125A.08; 125A.091; 125A.11, subdivision 1; 125A.15; 125A.28; 125A.51;
 188.25 125A.57, subdivision 2; 125A.61, subdivision 1; 125A.62, subdivision 8;
 188.26 125A.63, subdivisions 2, 4; 125A.744, subdivision 3; 125A.76, subdivision
 188.27 1; 125B.26; 126C.05, subdivisions 2, 15, 20; 126C.10, subdivisions 24, 34,
 188.28 by adding a subdivision; 126C.15, subdivisions 2, 4; 126C.17, subdivision
 188.29 9; 126C.40, subdivision 6; 126C.41, subdivision 2; 126C.44; 127A.08, by
 188.30 adding a subdivision; 127A.47, subdivisions 5, 7; 134.31, subdivision 4a,
 188.31 by adding a subdivision; 134.34, subdivisions 1, 4; 169.011, subdivision 71;
 188.32 169.443, subdivision 9; 169.4501, subdivision 1; 169.4503, subdivision 20,
 188.33 by adding a subdivision; 169.454, subdivision 13; 169A.03, subdivision 23;
 188.34 171.01, subdivision 22; 171.02, subdivisions 2, 2a; 171.321, subdivisions 1,
 188.35 4, 5; 299A.297; 471.975; 475.58, subdivision 1, as amended if enacted; Laws
 188.36 2007, chapter 146, article 1, section 24, subdivisions 2, as amended, 4, as
 188.37 amended, 5, as amended, 6, as amended, 7, as amended, 8, as amended; article
 188.38 2, section 46, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as
 188.39 amended, 9, as amended; article 3, section 24, subdivisions 3, as amended, 4, as
 188.40 amended, 7; article 4, section 16, subdivisions 2, as amended, 6, as amended, 8,
 188.41 as amended; article 5, section 13, subdivisions 2, as amended, 3, as amended;
 188.42 article 9, section 17, subdivisions 2, as amended, 4, as amended, 8, as amended,
 188.43 9, as amended, 13, as amended; Laws 2008, chapter 363, article 2, section 46,
 188.44 subdivision 1; proposing coding for new law in Minnesota Statutes, chapters
 188.45 120B; 122A; 123B; 124D; 125A; 127A; repealing Minnesota Statutes 2008,
 188.46 sections 120B.362; 120B.39; 121A.27; 121A.66; 121A.67, subdivision 1;
 188.47 122A.32; 122A.628; 122A.75; 125A.05; Minnesota Rules, parts 3525.0210,
 188.48 subparts 5, 6, 9, 13, 17, 29, 30, 34, 43, 46, 47; 3525.0400; 3525.1100, subpart 2,
 188.49 item F; 3525.2445; 3525.2900, subpart 5; 3525.4220."

189.1 We request the adoption of this report and repassage of the bill.

189.2 House Conferees: (Signed)

189.3
189.4 Mindy Greiling Carlos Mariani

189.5
189.6 Nora Slawik John Ward

189.7
189.8 Pat Garofalo

189.9 Senate Conferees: (Signed)

189.10
189.11 LeRoy Stumpf Gen Olson

189.12
189.13 Kathy Saltzman Charles Wiger

189.14
189.15 Kevin Dahle