

STATE OF MINNESOTA

EIGHTY-SEVENTH SESSION — 2011

 TWENTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 23, 2011

The House of Representatives convened at 4:30 p.m. and was called to order by Greg Davids, Speaker pro tempore.

Prayer was offered by Rabbi Moshe Feller, Director of the Upper Midwest Lubavitch Movement, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Davnie	Hancock	Kriesel	Moran	Scalze
Anderson, B.	Dean	Hansen	Lanning	Morrow	Schomacker
Anderson, D.	Dettmer	Hausman	Leidiger	Mullery	Scott
Anderson, P.	Dill	Hayden	LeMieur	Murdock	Shimanski
Anderson, S.	Dittrich	Hilstrom	Lenczewski	Murphy, E.	Simon
Anzelc	Doepke	Hilty	Lesch	Murphy, M.	Slawik
Banaian	Drazkowski	Holberg	Liebling	Murray	Slocum
Barrett	Eken	Hoppe	Lillie	Myhra	Smith
Beard	Erickson	Hornstein	Loeffler	Nelson	Stensrud
Benson, J.	Fabian	Hortman	Lohmer	Nornes	Swedzinski
Benson, M.	Falk	Hosch	Loon	Norton	Torkelson
Bills	Franson	Howes	Mack	O'Driscoll	Urdahl
Brynaert	Fritz	Huntley	Mahoney	Paymar	Vogel
Buesgens	Garofalo	Kahn	Mariani	Pelowski	Wagenius
Carlson	Gauthier	Kath	Marquart	Persell	Wardlow
Champion	Gottwalt	Kelly	Mazorol	Petersen, B.	Westrom
Clark	Greene	Kieffer	McDonald	Peterson, S.	Winkler
Cornish	Greiling	Kiel	McElfrick	Poppe	Woodard
Crawford	Gruenhagen	Kiffmeyer	McFarlane	Quam	
Daudt	Gunther	Knuth	McNamara	Rukavina	
Davids	Hackbarth	Koenen	Melin	Runbeck	

A quorum was present.

Atkins, Downey, Hamilton, Johnson, Laine, Peppin, Sanders, Thissen, Tillberry, Ward and Zellers were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 21, 2011

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. No. 79.

Sincerely,

MARK DAYTON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2011 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S. F. No.	H. F. No.	Session Laws Chapter No.	Time and Date Approved 2011	Date Filed 2011
	79	8	3:30 p.m. March 21	March 21

Sincerely,

MARK RITCHIE
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 347, A bill for an act relating to motor vehicles; modifying fees for transactions relating to motor vehicles and drivers' licenses; amending Minnesota Statutes 2010, sections 168.33, subdivision 7; 171.06, subdivisions 2, 2a.

Reported the same back with the following amendments:

Page 3, line 11, after the period, insert "The department shall charge the same amount as an agent under section 171.061, which must be credited to the driver services operating account in section 299A.705, subdivision 2."

Page 3, delete section 3

Page 3, line 31, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 392, A bill for an act relating to education; requiring crossing control arms on school buses; amending Minnesota Statutes 2010, section 169.4503, by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

Howes from the Committee on Capital Investment to which was referred:

H. F. No. 681, A bill for an act relating to state government; authorizing issuance of state appropriation bonds; appropriating money; establishing the Minnesota pay for performance pilot program; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 3, line 1, delete "evidence of obligation" and insert "similar instrument"

Page 3, line 21, delete "pay accrued interest,"

Page 3, line 23, delete "\$....." and insert "\$20,000,000"

Page 4, line 4, delete "evidences of obligation" and insert "similar instruments"

Page 4, line 9, after "sale" insert "upon such terms as the commissioner shall determine are not inconsistent with this section"

Page 4, line 10, delete "at public sale"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance.

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 808, A bill for an act relating to drivers' licenses; allowing driver's license applicant to donate \$2 for public information and education on anatomical gifts; appropriating money; amending Minnesota Statutes 2010, section 171.06, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2010, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

License Plate	Single	Double
Regular and Disability	\$4.50	\$6.00
Special	\$8.50	\$10.00
Personalized (Replacement)	\$10.00	\$14.00
Collector Category	\$13.50	\$15.00
Emergency Vehicle Display	\$3.00	\$6.00
Utility Trailer Self-Adhesive	\$2.50	
Vertical Motorcycle Plate	\$100.00	NA
Stickers		
Duplicate year	\$1.00	\$1.00
International Fuel Tax Agreement	\$2.50	

(c) For vehicles that require two of the categories above, the registrar shall only charge the higher of the two fees and not a combined total.

(d) As part of procedures for payment of the fee under paragraph (b), the commissioner shall allow a vehicle owner to add to the fee, a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.07.

Sec. 2. Minnesota Statutes 2010, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
Enhanced Driver's License	D-\$37.25	C-\$41.25	B-\$48.25	A-\$56.25
Instruction Permit				\$10.25
Enhanced Instruction Permit				\$25.25
Provisional License				\$13.25
Enhanced Provisional License				\$28.25
Duplicate License or duplicate identification card				\$11.75
Enhanced Duplicate License or enhanced duplicate identification card				\$26.75
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				\$16.25
Enhanced Minnesota identification card				\$31.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) An application for a Minnesota identification card, instruction permit, provisional license, or driver's license, including an application for renewal, must contain a provision that allows the applicant to add to the fee under paragraph (a), a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.07.

Sec. 3. **[171.075] ANATOMICAL GIFTS.**

Subdivision 1. **Anatomical gift account.** An anatomical gift account is established in the special revenue fund. The account consist of funds donated under sections 168.12, subdivision 5, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner for (1) grants under subdivision 2, and (2) administrative expenses in implementing the donation and grant program.

Subd. 2. **Anatomical gift education grants.** (a) The commissioner shall make grants to (1) a Minnesota organ procurement organization that is certified by the federal Centers for Medicare and Medicaid Services; or (2) an entity that is a charitable entity under section 501(c)(3) of the Internal Revenue Code, as defined in section 289A.02, subdivision 7, and is dedicated to advocacy for organ, tissue, and eye donation.

(b) From a grant under this section, the recipient shall provide resources and implement programs designed to increase the number of Minnesotans who register to be organ, tissue, and eye donors."

Page 2, line 37, delete "2." and insert "4."

Page 3, line 3, delete "section 1" and insert "Minnesota Statutes, section 171.075"

Amend the title as follows:

Page 1, delete line 2 and insert "relating to motor vehicles; providing for \$2 donation for"

Page 1, line 3, after the first semicolon, insert "creating anatomical gift account;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Nornes from the Committee on Higher Education Policy and Finance to which was referred:

H. F. No. 821, A bill for an act relating to higher education; changing eligibility for the senior citizen higher education program; amending Minnesota Statutes 2010, section 135A.51, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Nornes from the Committee on Higher Education Policy and Finance to which was referred:

H. F. No. 849, A bill for an act relating to higher education; eliminating mandates for colleges and universities; amending Minnesota Statutes 2010, section 135A.145, subdivision 1; repealing Minnesota Statutes 2010, sections 135A.157; 135A.26; 181.986.

Reported the same back with the following amendments:

Page 1, line 20, delete "135A.157;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Hamilton from the Committee on Agriculture and Rural Development Policy and Finance to which was referred:

H. F. No. 860, A bill for an act relating to taxation; income; providing beginning farmer program tax credits; amending Minnesota Statutes 2010, section 290.06, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Garofalo from the Committee on Education Finance to which was referred:

H. F. No. 934, A bill for an act relating to education finance; removing an obsolete reference; amending Minnesota Statutes 2010, section 126C.10, subdivision 2b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2010, section 93.22, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be made to the Department of Natural Resources and shall be credited according to this section.

(b) Twenty percent of all payments, except for those payments received for school trust lands, under sections 93.14 to 93.285 shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 2. Minnesota Statutes 2010, section 93.2236, is amended to read:

93.2236 MINERALS MANAGEMENT ACCOUNT.

(a) The minerals management account is created as an account in the natural resources fund. Interest earned on money in the account accrues to the account. Money in the account may be spent or distributed only as provided in paragraphs (b) and (c).

(b) If the balance in the minerals management account exceeds \$3,000,000 on June 30, the amount exceeding \$3,000,000 must be distributed to the ~~permanent school fund and the permanent university fund. The amount distributed to each fund must be in the same proportion as the total mineral lease revenue received in the previous biennium from school trust lands and university lands.~~

(c) Subject to appropriation by the legislature, money in the minerals management account may be spent by the commissioner of natural resources for mineral resource management and projects to enhance future mineral income and promote new mineral resource opportunities.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 3. Minnesota Statutes 2010, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; DAYS HOURS OF INSTRUCTION.

A school board's annual school calendar must include at least ~~the number of days of student instruction the board formally adopted as its school calendar at the beginning of the 1996-1997 school year~~ 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school.

Sec. 4. Minnesota Statutes 2010, section 120B.07, is amended to read:

120B.07 EARLY GRADUATION.

(a) Notwithstanding any law to the contrary, any secondary school student who has completed all required courses or standards may, with the approval of the student, the student's parent or guardian, and local school officials, graduate before the completion of the school year.

(b) General education revenue attributable to the student must be paid as though the student was in attendance for the entire year unless the student participates in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.081.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 5. **[120B.08] EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP PROGRAM.**

Subdivision 1. **Participation.** A student who qualifies for early graduation under section 120B.07 is eligible to participate in the early graduation achievement scholarship program.

Subd. 2. **Scholarship amounts.** A student who participates in the early graduation achievement scholarship program is eligible for a scholarship of \$2,500 if the student qualifies for graduation one semester or two trimesters early, \$5,000 if the student qualifies for graduation two semesters or three or four trimesters early, or \$7,500 if the student qualifies for graduation three or more semesters or five or more trimesters early.

Subd. 3. **Scholarship uses.** An early graduation achievement scholarship may be used at any accredited institution of higher education.

Subd. 4. **Application.** A qualifying student may apply to the commissioner of education for an early graduation achievement scholarship. The application must be in the form and manner specified by the commissioner. Upon verification of the qualifying student's course completion necessary for graduation, the department must issue the student a certificate showing the student's scholarship amount.

Subd. 5. **Enrollment verification.** A student who qualifies under this section and enrolls in an accredited higher education institution must submit a form to the commissioner verifying the student's enrollment in the higher education institution and the tuition charges for that semester. Within 15 days of receipt of a student's enrollment and tuition verification form, the commissioner must issue a scholarship check to the student in the lesser of the tuition amount for that semester or the maximum amount of the student's early graduation achievement scholarship. A student may continue to submit enrollment verification forms to the commissioner until the student has used the full amount of the student's graduation achievement scholarship.

Subd. 6. **General education money transferred.** The commissioner must transfer the amounts necessary to fund the early graduation achievement scholarships from the general education aid appropriation for that year.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 6. **[120B.081] EARLY GRADUATION MILITARY SERVICE AWARD PROGRAM.**

Subdivision 1. **Eligibility.** For purposes of this section, "eligible person" means a secondary student enrolled in any Minnesota public school who qualifies for early graduation under section 120B.07 and who, before the end of the calendar year of the student's graduation, enters into active service in either the active or reserve component of the United States armed forces and deploys for 60 days or longer to a military base or installation outside Minnesota for the purpose of attending basic military training or military school and, if required by the military, performing other military duty. The active service may be in accordance with United States Code, title 10 or title 32.

Subd. 2. **Application.** An eligible person may apply to the commissioner of education for an early graduation military service bonus. The application must be in the form and manner specified by the commissioner.

Subd. 3. **Verification and award.** Upon verification of the qualifying student's course completion necessary for graduation and eligibility for the military service bonus, the commissioner must issue payment to that person. Payment amounts must be determined according to section 120B.08, subdivision 2.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 7. Minnesota Statutes 2010, section 122A.414, subdivision 1a, is amended to read:

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

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

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

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

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

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

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

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 8. Minnesota Statutes 2010, section 122A.414, subdivision 4, is amended to read:

Subd. 4. **Planning and staff development.** A school district that qualifies to participate in the alternative teacher professional pay system transitional planning year under subdivision 1a may use up to two percent of its general education basic revenue ~~that would otherwise be reserved under section 122A.61~~ for complying with the planning and staff development activities under this section.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 9. Minnesota Statutes 2010, section 122A.60, subdivision 1, is amended to read:

Subdivision 1. **Staff development committee.** A school board ~~must use the revenue authorized in section 122A.61 for in-service education for programs under section 120B.22, subdivision 2, or for staff development plans~~ may implement a staff development plan under this section. If a school board implements a plan under this section, the board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 10. Minnesota Statutes 2010, section 122A.60, subdivision 1a, is amended to read:

Subd. 1a. **Effective staff development activities.** ~~(a)~~ Staff development activities implemented under this section must:

- (1) focus on the school classroom and research-based strategies that improve student learning;
- (2) provide opportunities for teachers to practice and improve their instructional skills over time;
- (3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;
- (4) enhance teacher content knowledge and instructional skills;
- (5) align with state and local academic standards;
- (6) provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring; and
- (7) align with the plan of the district or site for an alternative teacher professional pay system.

Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

~~(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.~~

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 11. Minnesota Statutes 2010, section 122A.60, subdivision 4, is amended to read:

Subd. 4. **Staff development report.** (a) By October 15 of each year, ~~the~~ a district and implementing a staff development plan under this section, in conjunction with its site staff development committees, shall write and submit a report of staff development activities and expenditures for the previous year, in the form and manner

determined by the commissioner. The report, signed by the district superintendent and staff development chair, must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities under subdivision 3.

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

(2) staff development training models, workshops, and conferences, and the cost of releasing teachers or providing substitute teachers for staff development purposes.

The report also must indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures must be reported using the uniform financial and accounting and reporting standards.

(c) The commissioner shall report the staff development progress and expenditure data to the house of representatives and senate committees having jurisdiction over education by February 15 each year.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 12. Minnesota Statutes 2010, section 123A.55, is amended to read:

123A.55 CLASSES, NUMBER.

Districts shall be classified as common, independent, ~~or special, or charter districts,~~ Each of which common, independent, and special district is a public corporation. Each district shall be known by its classification and assigned a number by the commissioner so that its title will be School District No.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 13. Minnesota Statutes 2010, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~ The general education revenue for each district equals the sum of the district's basic revenue, extended time revenue, gifted and talented revenue, small schools revenue, basic skills revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.

EFFECTIVE DATE. This section is effective for fiscal year 2013 and later.

Sec. 14. Minnesota Statutes 2010, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. ~~The formula allowance for fiscal year 2007 is \$4,974. The formula allowance for fiscal year 2008 is \$5,074 and the formula allowance for fiscal year~~ years 2009 through 2011 is \$5,124. The formula allowance is \$5,155 for fiscal year 2012 and \$5,210 for fiscal year 2013. The formula allowance for fiscal year 2014 and subsequent years is \$5,124 \$5,250.

Sec. 15. Minnesota Statutes 2010, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue is equal to the product of ~~\$4,604~~ \$5,124 and the sum of the adjusted marginal cost pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, and other programming authorized under the learning year program.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2013 and later.

Sec. 16. Minnesota Statutes 2010, section 126C.10, is amended by adding a subdivision to read:

Subd. 2c. Small schools revenue. A school district's small schools revenue equals the product of:

(1) \$5,124;

(2) the district's adjusted marginal cost pupil units for that year;

(3) the greater of zero or the ratio of (i) 1,000 less the district's adjusted marginal cost pupil units for that year, to (ii) 1,000; and

(4) 0.08.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2013 and later.

Sec. 17. Minnesota Statutes 2010, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) The compensatory education revenue for each building in the district equals ~~the formula allowance minus \$415~~ \$4,709 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

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

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

Sec. 18. Minnesota Statutes 2010, section 126C.10, subdivision 7, is amended to read:

Subd. 7. **Secondary sparsity revenue.** (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) ~~the formula allowance for the school year~~ \$5,124, multiplied by

(2) the secondary average daily membership of pupils served in the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed district that is the result of districts combining under the cooperation and combination program or consolidating under section 123A.48 must receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 19. Minnesota Statutes 2010, section 126C.10, subdivision 8, is amended to read:

Subd. 8. **Elementary sparsity revenue.** A district's elementary sparsity revenue equals the sum of the following amounts for each qualifying elementary school in the district:

(1) ~~the formula allowance for the year \$5,124,~~ multiplied by

(2) the elementary average daily membership of pupils served in the school, multiplied by

(3) the quotient obtained by dividing 140 minus the elementary average daily membership by 140 plus the average daily membership.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 20. Minnesota Statutes 2010, section 126C.10, subdivision 8a, is amended to read:

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

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 21. Minnesota Statutes 2010, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue ~~for fiscal year 2007 and later,~~ a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals ~~\$22,222~~ \$10,700 for fiscal year ~~2006~~ 2012, and ~~\$10,700~~ \$12,790 for fiscal year ~~2007~~ 2013 and later.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 22. Minnesota Statutes 2010, section 126C.10, subdivision 14, is amended to read:

Subd. 14. **Uses of total operating capital revenue.** Total operating capital revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures, including library media centers;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the State Fire Code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296A.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123B.51, subdivision 4;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the Douglas J. Johnson Economic Protection Trust Fund Act according to sections 298.292 to 298.298;
- (15) to purchase or lease interactive telecommunications equipment;
- (16) by board resolution, to transfer money into the debt redemption fund to: (i) pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475; or (ii) pay principal and interest on debt service loans or capital loans according to section 126C.70;
- (17) to pay operating capital-related assessments of any entity formed under a cooperative agreement between two or more districts;
- (18) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;
- (19) to purchase or lease assistive technology or equipment for instructional programs;

(20) to purchase textbooks;

(21) to purchase new and replacement library media resources or technology;

(22) to lease or purchase vehicles;

(23) to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(i) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(ii) managing student assessment, services, and achievement information required for students with individual education plans; and

(iii) other classroom information management needs; ~~and~~

(24) to pay personnel costs directly related to the acquisition, operation, and maintenance of telecommunications systems, computers, related equipment, and network and applications software; and

(25) to pay the costs directly associated with closing a school facility, including moving and storage costs.

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

Sec. 23. Minnesota Statutes 2010, section 126C.126, is amended to read:

126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.

(a) In order to provide additional revenue for an optional all-day kindergarten program, a district may reallocate general education revenue attributable to 12th grade students who have graduated early under section 120B.07 and who do not participate in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.081.

(b) A school district may spend general education revenue on extended time kindergarten and prekindergarten programs.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 24. Minnesota Statutes 2010, section 126C.20, is amended to read:

126C.20 ANNUAL GENERAL EDUCATION AID APPROPRIATION.

There is annually appropriated from the general fund to the department the amount necessary for general education aid under section 126C.13, the early graduation achievement scholarship program under section 120B.08, and the early graduation military service award program under section 120B.081. This amount must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

EFFECTIVE DATE. This section is effective for fiscal year 2012 and later.

Sec. 25. Minnesota Statutes 2010, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$30 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

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

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

Sec. 26. Minnesota Statutes 2010, section 127A.33, is amended to read:

127A.33 SCHOOL ENDOWMENT FUND; APPORTIONMENT.

The commissioner shall apportion the school endowment fund semiannually on the first Monday in March and September in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to ~~the number of pupils in each district's adjusted~~ average daily membership during the preceding year. The apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 27. Minnesota Statutes 2010, section 298.28, subdivision 2, is amended to read:

Subd. 2. **City or town where quarried or produced.** (a) 4.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," ~~plus the amount provided in paragraph (e),~~ must be allocated to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 50 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. The commissioner's order making such apportionment shall be subject to review by the Tax Court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(b) Four cents per taxable ton shall be allocated to cities and organized townships affected by mining because their boundaries are within three miles of a taconite mine pit that has been actively mined in at least one of the prior three years. If a city or town is located near more than one mine meeting these criteria, the city or town is eligible to receive aid calculated from only the mine producing the largest taxable tonnage. When more than one municipality qualifies for aid based on one company's production, the aid must be apportioned among the municipalities in proportion to their populations. Of the amounts distributed under this paragraph to each municipality, one-half must be used for infrastructure improvement projects, and one-half must be used for projects in which two or more municipalities cooperate. Each municipality that receives a distribution under this paragraph must report annually to the Iron Range Resources and Rehabilitation Board and the commissioner of Iron Range resources and rehabilitation on the projects involving cooperation with other municipalities.

~~(c) The amount that would have been computed for the current year under Minnesota Statutes 2008, section 126C.21, subdivision 4, for a school district within which the taconite was mined or quarried or within which the concentrate is produced is added to the amount to be distributed to the cities and towns located within that school district as provided in paragraph (a).~~

EFFECTIVE DATE. This section is effective for distributions in 2012 and thereafter.

Sec. 28. Minnesota Statutes 2010, section 298.28, subdivision 4, is amended to read:

Subd. 4. **School districts.** (a) 23.15 cents per taxable ton, plus the increase provided in paragraph (d), ~~less the amount that would have been computed under Minnesota Statutes 2008, section 126C.21, subdivision 4, for the current year for that district,~~ must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b), (c), and (f).

(b) (i) 3.43 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(ii) Four cents per taxable ton from each taconite facility must be distributed to each affected school district for deposit in a fund dedicated to building maintenance and repairs, as follows:

(1) proceeds from Keewatin Taconite or its successor are distributed to Independent School Districts Nos. 316, Coleraine, and 319, Nashwauk-Keewatin, or their successor districts;

(2) proceeds from the Hibbing Taconite Company or its successor are distributed to Independent School Districts Nos. 695, Chisholm, and 701, Hibbing, or their successor districts;

(3) proceeds from the Mittal Steel Company and Minntac or their successors are distributed to Independent School Districts Nos. 712, Mountain Iron-Buhl, 706, Virginia, 2711, Mesabi East, and 2154, Eveleth-Gilbert, or their successor districts;

(4) proceeds from the Northshore Mining Company or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 381, Lake Superior, or their successor districts; and

(5) proceeds from United Taconite or its successor are distributed to Independent School Districts Nos. 2142, St. Louis County, and 2154, Eveleth-Gilbert, or their successor districts.

Revenues that are required to be distributed to more than one district shall be apportioned according to the number of pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year.

(c)(i) 15.72 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts which qualify as a tax relief area under section 273.134, paragraph (b), or in which there is a qualifying municipality as defined by section 273.134, paragraph (a), in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 126C.05 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapters 122A, 126C, and 127A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values after reduction for any portion distributed to cities and towns under section 126C.48, subdivision 8, paragraph (5), that is less than the amount of its levy reduction under section 126C.48, subdivision 8, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i). If there are insufficient tax proceeds to make the distribution provided under this paragraph in any year, money must be transferred from the taconite property tax relief account in subdivision 6, to the extent of the shortfall in the distribution.

(d) Any school district described in paragraph (c) where a levy increase pursuant to section 126C.17, subdivision 9, was authorized by referendum for taxes payable in 2001, shall receive a distribution of 21.3 cents per ton. Each district shall receive \$175 times the pupil units identified in section 126C.05, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 126C.13 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of Iron Range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the Douglas J. Johnson economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve the lesser of the amount received under this paragraph or \$25 times the number of pupil units served in the district. It may use the money for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(f) Four cents per taxable ton must be distributed to qualifying school districts according to the distribution specified in paragraph (b), clause (ii), and two cents per taxable ton must be distributed according to the distribution specified in paragraph (c). These amounts are not subject to sections 126C.21, subdivision 4, and 126C.48, subdivision 8.

EFFECTIVE DATE. This section is effective for distributions in 2012 and thereafter.

Sec. 29. **KITTSON CENTRAL SCHOOL CLOSING.**

Independent School District No. 356, Lancaster, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal year 2012 and later, if the board has adopted a written resolution at any time prior to the start of the 2011-2012 school year to notify the commissioner and request aid under Minnesota Statutes, section 126C.10, subdivision 8a. For the purposes of this section, the school district shall be eligible for aid under Minnesota Statutes, section 126C.10, subdivision 8a, as a result of the closure of the Kennedy Elementary School in Independent School District No. 2171, Kittson Central.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 30. **NORTHLAND COMMUNITY SCHOOL CLOSING.**

(a) Independent School District No. 118, Northland Community Schools, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal year 2012 and later, if the board has adopted the required written resolution at least 60 days prior to the start of fiscal year 2012.

(b) If the school district adopts a written resolution under paragraph (a), in fiscal year 2012, the commissioner must provide sparsity aid to the district in an amount equal to the amount that the district would have received under Minnesota Statutes, section 126C.10, subdivision 8a, in fiscal year 2011, if the provisions of paragraph (a) had been in effect. The school district must recognize the sparsity aid provided under this paragraph as revenue in fiscal year 2011.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012.

Sec. 31. **APPROPRIATIONS.**

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

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

<u>\$5,679,712,000</u>	<u>.....</u>	<u>2012</u>
<u>\$5,856,213,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$1,678,539,000 for 2011 and \$4,001,174,000 for 2012.

The 2013 appropriation includes \$1,710,662,000 for 2012 and \$4,145,551,000 for 2013.

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

<u>\$31,000</u>	.....	<u>2012</u>
<u>\$32,000</u>	.....	<u>2013</u>

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

<u>\$1,452,000</u>	.....	<u>2012</u>
<u>\$1,635,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$346,000 for 2011 and \$1,106,000 for 2012.

The 2013 appropriation includes \$473,000 for 2012 and \$1,162,000 for 2013.

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

<u>\$145,000</u>	.....	<u>2012</u>
<u>\$210,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$145,000 for 2011 and \$0 for 2012.

The 2013 appropriation includes \$0 for 2012 and \$210,000 for 2013.

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

<u>\$16,101,000</u>	.....	<u>2012</u>
<u>\$16,023,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$5,078,000 for 2011 and \$11,023,000 for 2012.

The 2013 appropriation includes \$4,724,000 for 2012 and \$11,299,000 for 2013.

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

<u>\$19,007,000</u>	.....	<u>2012</u>
<u>\$19,033,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$5,895,000 for 2011 and \$13,112,000 for 2012.

The 2013 appropriation includes \$5,619,000 for 2012 and \$13,414,000 for 2013.

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

<u>\$65,000</u>	.....	<u>2012</u>
<u>\$65,000</u>	.....	<u>2013</u>

Subd. 9. **Compensatory revenue pilot project.** For grants for participation in the compensatory revenue pilot program under Laws 2005, First Special Session chapter 5, article 1, section 50:

<u>\$2,175,000</u>	.....	<u>2012</u>
<u>\$2,175,000</u>	.....	<u>2013</u>

Of this amount, \$1,500,000 in each year is for a grant to Independent School District No. 11, Anoka-Hennepin; \$75,000 in each year is for a grant to Independent School District No. 286, Brooklyn Center; \$210,000 in each year is for a grant to Independent School District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School District No. 281, Robbinsdale; \$165,000 in each year is for a grant to Independent School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent School District No. 833, South Washington.

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

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

Subd. 10. **Compensatory formula pilot project aid.** For grants for compensatory pilot project aid as calculated under this subdivision:

<u>\$11,957,000</u>	.....	<u>2012</u>
<u>\$5,124,000</u>	.....	<u>2013</u>

For fiscal year 2012 only, a district which has a pupil unit count that is in the top ten largest pupil unit counts is eligible for the greater of zero or \$1,500 times the number of compensatory pupil units, minus the amount of compensatory education revenue received by the district under Minnesota Statutes, section 126C.10, subdivision 3. A district which has a pupil unit count that is between the 11th and 20th largest pupil unit counts is eligible for the greater of zero or \$1,200 times the number of compensatory pupil units, minus the amount of compensatory education revenue received by the district under Minnesota Statutes, section 126C.10, subdivision 3.

The 2012 appropriation includes \$0 for 2011 and \$11,957,000 for 2012.

The 2013 appropriation includes \$5,124,000 for 2012 and \$0 for 2013.

This is a onetime appropriation.

Sec. 32. **APPROPRIATIONS; MINNESOTA DEPARTMENT OF NATURAL RESOURCES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota Department of Natural Resources for the fiscal years designated:

<u>\$0</u>	.....	<u>2012</u>
<u>\$2,072,000</u>	.....	<u>2013</u>

This appropriation must only be used for minerals management activities for school trust lands.

Sec. 33. **REPEALER AND REENACTMENT.**

(a) Laws 2009, chapter 88, article 12, section 23, paragraph (c), is repealed and Minnesota Statutes 2008, section 126C.21, subdivision 4, is reenacted for revenue for fiscal year 2012 and thereafter.

(b) Minnesota Statutes 2010, sections 122A.61; 123B.05; and 126C.10, subdivision 5, are repealed.

ARTICLE 2
ACADEMIC EXCELLENCE

Section 1. Minnesota Statutes 2010, section 13D.02, is amended by adding a subdivision to read:

Subd. 5. School boards; interactive technology with an audio and visual link. A school board conducting a meeting under this section may use interactive technology with an audio and visual link to conduct the meeting if the school board complies with all other requirements under this section.

Sec. 2. Minnesota Statutes 2010, section 120B.023, subdivision 2, is amended to read:

Subd. 2. Revisions and reviews required. (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. The commissioner must revise and align the state's academic standards and graduation requirements, consistent with the review cycle established in this subdivision and the requirements of chapter 14, but must not proceed to finally adopt revised and realigned academic standards and graduation requirements in rule without first receiving specific legislative authority to do so. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

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

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

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

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

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

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

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

(f) The commissioner in the 2010-2011 school year must ~~revise and align~~ review the state's academic standards and high school graduation requirements in social studies ~~to require~~ that students must satisfactorily complete ~~the revised social studies standards~~ beginning in the ~~2013-2014~~ 2014-2015 school year. The commissioner must again implement a review of the academic standards and related benchmarks in social studies beginning in the ~~2019-2020~~ 2020-2021 school year.

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

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

Sec. 3. Minnesota Statutes 2010, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and be administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. For students enrolled in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 based on the first uniform test administered in February 1998. Students who have not successfully passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass the graduation-required assessments for diploma under paragraph (c).

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

- (1) mathematics;
 - (i) grades 3 through 8 beginning in the 2010-2011 school year; and
 - (ii) high school level beginning in the 2013-2014 school year;
- (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and
- (3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

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

- (1) for reading and mathematics:
 - (i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

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

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

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

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

(2) for writing:

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

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

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

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

(d) Students enrolled in grade 8 in any school year from the 2005-2006 school year to the ~~2009-2010~~ 2008-2009 school year who do not pass the mathematics graduation-required assessment for diploma under paragraph (c) are eligible to receive a high school diploma if they:

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

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

(3) fully participate in at least two retests of the mathematics GRAD test or until they pass the mathematics GRAD test, whichever comes first. A school, district, or charter school must place a student's highest assessment score for each of the following assessments on the student's high school transcript: the mathematics Minnesota Comprehensive Assessment, reading Minnesota Comprehensive Assessment, and writing Graduation-Required Assessment for Diploma, and when applicable, the mathematics Graduation-Required Assessment for Diploma and reading Graduation-Required Assessment for Diploma.

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

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

(f) The 3rd through 8th grade and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

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

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations or alternate assessments;

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

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

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 4. Minnesota Statutes 2010, section 120B.30, is amended by adding a subdivision to read:

Subd. 1b. High school assessments. (a) Notwithstanding any other law to the contrary, the commissioner shall establish a system of high school assessments for students entering grade 8 in the 2012-2013 school year and later that provides information on the college and career readiness of Minnesota students and fulfills federal accountability requirements, consistent with this subdivision and related rules. For purposes of this subdivision, "college and career readiness" means the knowledge and skills that a high school graduate needs to undertake either credit-bearing coursework at a two-year or four-year college or university or career-track employment.

(b) The commissioner shall establish and administer a high school reading and writing exam at the end of grade 10. The reading and writing exam must conform with the following:

(1) align with the most recently revised academic content standards under section 120B.023, subdivision 2;

(2) produce independent scores for each content area;

(3) include both multiple-choice and open-ended items on the reading portion of the exam to assess skills defined in the state's academic content standards;

(4) be designed for computer administration and scoring so that, beginning the second year a computerized test is administered and as soon as practicable during the first year a computerized test is administered, the exam results of students who take computerized tests are available to the school or district within five full school days after the exam is administered, among other design characteristics;

(5) allow for remediation and computer retests not sooner than six weeks after the previous administration of the reading and writing portions of the exam;

(6) use achievement-level descriptors in reading and writing that define a student's readiness for college or a career;

(7) require all general education students, as a condition of graduating, to achieve passing scores that indicate that students' performance is proficient in reading and writing and that are established through a professionally recognized methodology, consistent with this paragraph;

(8) require general education students to participate in a locally developed remediation plan if they do not achieve a passing score;

(9) provide a state-level student appeals process that accommodates alternative measures to demonstrate students' college and career readiness and is available only to those limited number of students in the second semester of their senior year, not exceeding two percent of students in the graduating class, who are unable to demonstrate reading or writing proficiency on the assessment but can demonstrate equivalent levels of knowledge and skill based on the alternative measures; and

(10) allow an eligible student to meet this exam requirement through an alternative method:

(i) for high school students who transfer into Minnesota from another state where the high school reading and writing course and graduation requirements are of equal or greater rigor, meet that state's federal accountability exams requirements in reading or writing, as applicable;

(ii) allow a student who has an active individualized education program to achieve a passing status at an individual level as prescribed by the commissioner; or

(iii) waive the required exam for a high school student who is an English language learner under section 124D.59 and who has been enrolled for four or fewer school years in a school in which English is the primary language of instruction.

(c) All general education students must receive a passing score in both reading and writing to graduate, consistent with paragraphs (b) and (e). The commissioner must establish the passing score that indicates a student's performance meets grade-level standards for proficiency.

(d) The commissioner shall establish statewide end-of-course exams in subjects equivalent to high school algebra and biology. These exams must conform with the following:

(1) align with the most recently revised academic content standards under section 120B.023, subdivision 2;

(2) include both multiple-choice and open-ended items that assess the appropriate algebra and biology knowledge and skills contained in the state's academic content standards;

(3) be designed for computer administration and scoring so that, beginning the second year a computerized test is administered and as soon as practicable during the first year a computerized test is administered, the exam results of students who take computerized tests are available to the school or district within five full school days after the exam is administered, among other design characteristics;

(4) be administered at regular intervals that align with the most common high school schedules in Minnesota;

(5) generate achievement levels established through a professionally recognized methodology;

(6) use achievement-level descriptors that define a student's college and career readiness;

(7) notwithstanding section 120B.30, subdivision 1a, paragraph (a), clause (2), require all general education students, as a condition of graduating, to achieve passing scores that indicate that students' performance is proficient in algebra and biology and that are established through a professionally recognized methodology, consistent with this paragraph;

(8) require a student who does not pass a high school algebra or biology course to:

(i) retake the course or complete a district-authorized credit recovery class; and

(ii) retake the end-of-course assessment within a regularly scheduled administration window;

(9) allow an eligible student to meet this requirement through an alternative method that demonstrates the student's college and career readiness:

(i) for high school students who transfer into Minnesota from another state where the algebra or biology course content, as applicable, is of equal or greater rigor, pass that state's high school course and graduation requirements in algebra or biology, as applicable;

(ii) allow a student who has an active individualized education program to achieve a passing status at an individual level as prescribed by the commissioner; or

(iii) waive the required exam for a high school student who is an English language learner under section 124D.59 and who has been enrolled for four or fewer years in a school in which English is the primary language of instruction;

(10) use three consecutive school years of research and analysis through the 2015-2016 school year, as prescribed by the commissioner, to calculate and report an alignment index that compares students' final grades in these courses with their end-of-course exam scores;

(11) subsequent to calculating and reporting the alignment index under clause (10), require schools that are highly misaligned for two or more consecutive school years to transmit written notice of the misalignment to all parents of students enrolled in the school, as prescribed by the commissioner; and

(12) when schools are highly misaligned for two or more consecutive years under clause (11), use school district funds under section 122A.60, subdivision 1a, paragraph (a), to correct the misalignment.

(e) The requirements of this subdivision apply to students in public schools, including charter schools, who enter grade 8 in the 2012-2013 school year or later. The commissioner may establish a transition period where students who enter grade 8 in the 2012-2013 or 2013-2014 school year graduate either under the graduation-required assessment for diploma requirements under section 120B.30, subdivision 1, or through a staggered implementation of this subdivision. During the transition period, the proficiency level of any federally required or state-required interim passing score in reading or writing must be comparable to the passing scores currently required for reading and writing under the graduation-required assessment for diploma. The commissioner may seek authority from the legislature to adjust the timeline under this paragraph if circumstances such as changes in federal law governing educational accountability and assessment warrant such an adjustment.

(f) To fully implement this subdivision and enable school districts to provide intervention and support to struggling students and improve instruction for all students, the commissioner must provide districts with:

(1) benchmark assessments that are aligned with the high school reading and writing assessment and algebra and biology end-of-course exams; and

(2) an item bank available to teachers for creating formative assessments to help students prepare for the high school reading and writing assessment and algebra and biology end-of-course exams.

(g) The commissioner shall expand the membership and purpose of the Assessment Advisory Committee established under section 120B.365 to include assessment experts and practitioners from both secondary and postsecondary education systems and other appropriate stakeholders to monitor the implementation of and student outcomes based on the end-of-course exams and policies and the state support available to districts, including small or rural districts, under this subdivision. This committee shall report annually by February 15 to the commissioner and the legislature on the implementation of and student outcomes based on the exams and policies under this subdivision. Notwithstanding section 15.059, subdivision 3, committee members shall not receive compensation, per diem payments, or reimbursement for expenses.

(h) The commissioner may not begin to develop additional statewide end-of-course exams in geometry, chemistry, or physics until specifically authorized in law to do so.

(i) A district or charter school must indicate on a student's transcript the student's level of college and career readiness in reading, writing, algebra, and biology under this subdivision after the levels have been established through a professionally recognized methodology.

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

Sec. 5. **[120B.361] DISTRICT AND CHARTER SCHOOL AND SCHOOL DISTRICT GRADING SYSTEM AND SCHOOL RECOGNITION PROGRAM.**

Subdivision 1. **District and charter school and school district grades.** (a) Consistent with the state growth targets established under sections 120B.299 and 120B.35, subdivision 3, paragraphs (a) and (b), and the school performance report cards under section 120B.36, subdivision 1, an "A to F" grading system for district and charter schools and school districts is established to help identify those schools and districts where students are achieving low, medium, or high growth and achieving or not achieving proficiency on statewide assessments under section 120B.30. For purposes of this section, and using the state growth target, the commissioner annually must assign each district and charter school and school district an "A to F" grade and then report that grade under section 120B.36, subdivision 1, based on the following calculations:

(1) 50 percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved proficiency on the statewide reading and mathematics assessments under section 120B.30 in the previous school year;

(2) 25 percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth, medium growth, or high growth on the statewide reading and mathematics assessments under section 120B.30 in the previous school year;

(3) 15 percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth and did not achieve proficiency on the statewide reading assessments under section 120B.30 in the previous school year;

(4) ten percent of a school's grade must be determined based on the numbers and percentages of students in each applicable student category for which assessment data is disaggregated under section 120B.35, subdivision 3, paragraph (b), clause (2), and paragraph (c), who achieved low growth and did not achieve proficiency on the statewide mathematics assessments under section 120B.30 in the previous school year; and

(5) using the calculations in clauses (1) to (4), a school district's grade must be determined based on the combined average scores of all district schools.

(b) The grade a school or district receives under this subdivision must accurately reflect the differences in schools' performances based on students' proficiency and growth and the calculations required under this subdivision. A school or district may appeal its grade in writing to the commissioner within 30 days of receiving notice of its grade. The commissioner's decision regarding the grade is final. Grades given under this section are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal under this paragraph is complete.

Subd. 2. **District and charter school recognition.** (a) A school that received a letter grade of "A" in the previous school year, improved at least one letter grade in the previous school year, or improved two or more letter grades in the two previous school years is eligible to receive a school recognition award.

(b) A school recognition award under this subdivision equals \$100 per enrollee for each eligible school. The commissioner must distribute the award to each eligible school.

(c) An eligible school that receives a school recognition award may use the award to:

(1) pay onetime bonuses for licensed staff employed at the school;

(2) pay onetime expenditures for educational equipment or materials to help maintain or improve student academic achievement; or

(3) temporarily employ licensed or otherwise qualified staff to help maintain or improve student academic achievement.

Notwithstanding any other law to the contrary, an award a school receives under this subdivision is not subject to a collective bargaining agreement.

(d) To distribute the award at the school, and consistent with paragraph (c), an eligible school may select a site team that includes at least the school principal or other person having administrative control of the school, teachers employed at the school, the parent of a student enrolled in the school, and a community representative to decide how best to use the award. Alternatively, if by November 1 in the year in which the award is made the site team cannot reach agreement or if no site team is selected, the school principal or other person having administrative control of the school must distribute the award.

EFFECTIVE DATE. This section is effective the day following final enactment and requires the education commissioner to use student performance data beginning in the 2011-2012 school year, determine and report a letter grade for each school and district, and distribute school recognition awards beginning in the 2012-2013 school year and later.

Sec. 6. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

Subd. 3a. **Qualified economic offer.** (a) Notwithstanding any law to the contrary, if a school board offers teachers a biennial contract that includes a percentage increase in total compensation at least equal to the district's biennial percentage increase in basic revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium; teachers may not strike for any issue relating to total compensation for the years covered by that contract or submit any total compensation issue to interest arbitration under section 179A.16. District fund balances or other revenue sources or allocations are not to be included in any calculation of compensation under this subdivision.

(b) If a school board and teachers do not agree on the allocation of the total compensation offered by the board under paragraph (a) by September 1 of an even-numbered calendar year, the allocation of total compensation among teachers shall be as follows:

(1) existing employee benefits must continue at the same percentage of the total compensation and in the same manner as provided in the teachers' immediately preceding employment contract; and

(2) based on the percentage increase in the general education formula allowance for the biennium for which the contract is in effect, any remaining percentage of the total compensation for the contract period being negotiated, after subtracting the value of clause (1), is for increases in teacher salary based on first, alternative teacher pay plans under section 122A.414; second, the number of years of service; and third, promotion and advanced education.

(c) For purposes of this subdivision, the following terms have the meanings given them.

"Teachers" means classroom teachers licensed under section 122A.18. At a school board's election, teachers also means school administrators licensed under section 122A.14, subdivision 1. A school board that elects to offer school administrators an employment contract under this subdivision must make the offer consistent with section 179A.20 and the provisions of this subdivision. A school board, at its discretion, also may elect to offer any of its nonlicensed employees an employment contract under the terms of this subdivision.

"Total compensation" means the sum of the following cost components: (i) a school district's total salary schedule costs excluding alternative teacher compensation under sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative teacher professional pay system under sections 122A.413 to 122A.415; (iii) total health insurance costs paid by the school district for its teachers, excluding any district contributions to health reimbursement arrangements (HRA) or health savings accounts (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers; (v) total long-term disability costs paid by the school district for its teachers; (vi) total dental insurance costs paid by the school district for its teachers; (vii) total extracurricular costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers' salary schedule; (ix) total Teachers Retirement Association costs paid by the school district for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by the school district for its teachers; and (xi) other miscellaneous costs identified by the school district as payment for teachers' services or benefits such as special school events, extra service duty, summer school instruction, drivers' education outside the regular school day and school year, and other direct salary payments to teachers or fringe benefit costs paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

EFFECTIVE DATE. This section is effective for contracts ratified beginning July 1, 2011.

Sec. 7. Minnesota Statutes 2010, section 122A.41, is amended by adding a subdivision to read:

Subd. 2a. Qualified economic offer. (a) Notwithstanding any law to the contrary, if a school board offers teachers a biennial contract that includes a percentage increase in total compensation at least equal to the district's biennial percentage increase in basic revenue under section 126C.10, subdivision 2, as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium; teachers may not strike for any issue relating to total compensation for the years covered by that contract or submit any total compensation issue to interest arbitration under section 179A.16. District fund balances or other revenue sources or allocations are not to be included in any calculation of compensation under this subdivision.

(b) If a school board and teachers do not agree on the allocation of the total compensation offered by the board under paragraph (a) by September 1 of an even-numbered calendar year, the allocation of total compensation among teachers shall be as follows:

(1) existing employee benefits must continue at the same percentage of the total compensation and in the same manner as provided in the teachers' immediately preceding employment contract; and

(2) based on the percentage increase in the general education formula allowance for the biennium for which the contract is in effect, any remaining percentage of the total compensation for the contract period being negotiated, after subtracting the value of clause (1), is for increases in teacher salary based on first, alternative teacher pay plans under section 122A.414; second, the number of years of service; and third, promotion and advanced education.

(c) For the purposes of this subdivision, the following terms have the meanings given them.

"Teachers" means classroom teachers licensed under section 122A.18. At a school board's election, teachers also means school administrators licensed under section 122A.14, subdivision 1. A school board that elects to offer school administrators an employment contract under this subdivision must make the offer consistent with section 179A.20 and the provisions of this subdivision. A school board, at its discretion, also may elect to offer any of its nonlicensed employees an employment contract under the terms of this subdivision.

"Total compensation" means the sum of the following cost components: (i) a school district's total salary schedule costs excluding alternative teacher compensation under sections 122A.413 to 122A.415; (ii) a school district's total salary costs of an alternative teacher professional pay system under sections 122A.413 to 122A.415; (iii) total health insurance costs paid by the school district for its teachers, excluding any district contributions to health reimbursement arrangements (HRA) or health savings accounts (HSA) for teachers; (iv) total life insurance costs paid by the school district for its teachers; (v) total long-term disability costs paid by the school district for its teachers; (vi) total dental insurance costs paid by the school district for its teachers; (vii) total extracurricular costs paid to the school district's teachers; (viii) total costs of lane changes on the teachers' salary schedule; (ix) total Teachers Retirement Association costs paid by the school district for its teachers; (x) total Social Security and Medicare (FICA) contribution costs paid by the school district for its teachers; and (xi) other miscellaneous costs identified by the school district as payment for teachers' services or benefits such as special school events, extra service duty, summer school instruction, drivers' education outside the regular school day and school year, and other direct salary payments to teachers or fringe benefit costs paid by the school district for its teachers and not otherwise provided for in items (i) to (x).

EFFECTIVE DATE. This section is effective for contracts ratified beginning July 1, 2011.

Sec. 8. Minnesota Statutes 2010, section 122A.414, subdivision 1a, is amended to read:

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

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

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

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

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to any new plan that the commissioner approves or any approved plan that is modified after that date.

Sec. 9. Minnesota Statutes 2010, section 122A.414, subdivision 2, is amended to read:

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

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

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

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

(3) reform the "steps and lanes" salary schedule by establishing an alternative salary schedule that uses measures other than seniority to award compensation increases based on the requirements in this clause, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and ~~base at least 60 percent of award~~ any compensation increase on teacher performance using based on:

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

~~(ii) districtwide measures of student achievement that use longitudinal data on student academic growth, student attendance, student engagement and connection, other outcome measures under section 120B.35, and other locally selected measures of student learning explicitly aligned with the elements of curriculum for which teachers are responsible, which must constitute 50 percent of any compensation increase; and~~

(ii) data from parent surveys, an annual evaluation performed by a trained school administrator, and other performance measures such as student surveys, peer observations and review, teacher performance portfolios, video classroom observations combined with teacher reflection, and other highly reliable research-based measures; and

(iii) an objective evaluation program that includes:

(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and

(B) objective evaluations using multiple criteria conducted by a locally selected and periodically trained evaluation team that understands teaching and learning consistent with items (i) and (ii);

(4) provide integrated ongoing site-based professional development activities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

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

(6) encourage collaboration rather than competition among teachers.

EFFECTIVE DATE. This section is effective June 1, 2013, and applies to any new plan that the commissioner approves or any approved plan that is modified after that date.

Sec. 10. Minnesota Statutes 2010, section 122A.414, subdivision 2a, is amended to read:

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

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

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

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

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

EFFECTIVE DATE. This section is effective June 1, 2013, and applies to any new plan that the commissioner approves or any approved plan that is modified after that date.

Sec. 11. Minnesota Statutes 2010, section 122A.414, subdivision 2b, is amended to read:

Subd. 2b. **Approval process.** (a) Consistent with the requirements of this section and sections 122A.413 and 122A.415, the department must prepare and transmit to interested school districts, intermediate school districts, ~~school sites,~~ and charter schools a standard form for applying to participate in the alternative teacher professional pay system. The commissioner annually must establish at least three dates as deadlines by which interested applicants must submit an application to the commissioner under this section. An interested school district, intermediate school district, ~~school site,~~ or charter school must submit to the commissioner a completed application executed by the district superintendent and the exclusive bargaining representative of the teachers if the applicant is a school district; or intermediate school district, ~~or school site,~~ or executed by the charter school board of directors if the applicant is a charter school. The application must include the proposed alternative teacher professional pay system agreement under subdivision 2. The department must review a completed application within 30 business days of the most recent application deadline and recommend to the commissioner whether to approve or disapprove

the application. The commissioner must approve applications on a first-come, first-served basis. The applicant's alternative teacher professional pay system agreement must be legally binding on the applicant and the collective bargaining representative before the applicant receives alternative compensation revenue. The commissioner must approve or disapprove an application based on the requirements under subdivisions 2 and 2a.

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

EFFECTIVE DATE. This section is effective June 1, 2013, and applies to any new plan that the commissioner approves or any approved plan that is modified after that date.

Sec. 12. Minnesota Statutes 2010, section 123B.02, subdivision 15, is amended to read:

Subd. 15. **Annuity contract; payroll allocation.** (a) At the request of an employee and as part of the employee's compensation arrangement, the board may purchase an individual annuity contract for an employee for retirement or other purposes and may make payroll allocations in accordance with such arrangement for the purpose of paying the entire premium due and to become due under such contract. The allocation must be made in a manner which will qualify the annuity premiums, or a portion thereof, for the benefit afforded under section 403(b) of the current Federal Internal Revenue Code or any equivalent provision of subsequent federal income tax law. The employee shall own such contract and the employee's rights under the contract shall be nonforfeitable except for failure to pay premiums. Section 122A.40 shall not be applicable hereto and the board shall have no liability thereunder because of its purchase of any individual annuity contracts. This statute shall be applied in a nondiscriminatory manner to employees of the school district. The school board of a school district shall determine the identity and number of the available vendors under federal Internal Revenue Code, section 403(b) is a term and condition of employment under section 179A.03.

(b) When considering vendors under paragraph (a), the school district ~~and the exclusive representative of the employees~~ shall consider all of the following:

(1) the vendor's ability to comply with all employer requirements imposed by section 403(b) of the Internal Revenue Code of 1986 and its subsequent amendments, other provisions of the Internal Revenue Code of 1986 that apply to section 403(b) of the Internal Revenue Code, and any regulation adopted in relation to these laws;

(2) the vendor's experience in providing 403(b) plans;

(3) the vendor's potential effectiveness in providing client services attendant to its plan and in relation to cost;

(4) the nature and extent of rights and benefits offered under the vendor's plan;

(5) the suitability of the rights and benefits offered under the vendor's plan;

(6) the vendor's ability to provide the rights and benefits offered under its plan; and

(7) the vendor's financial stability.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 13. Minnesota Statutes 2010, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

- (1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;
- (2) recommend to the board employment and dismissal of teachers;
- (3) annually evaluate each school principal assigned responsibility for supervising a school building within the district, consistent with section 122A.73;
- (4) superintend school grading practices and examinations for promotions;
- ~~(4)~~ (5) make reports required by the commissioner; and
- ~~(5)~~ (6) perform other duties prescribed by the board.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 14. **[124D.031] ENROLLMENT OPTIONS FOR STUDENTS AT LOW-PERFORMING PUBLIC SCHOOLS.**

Subdivision 1. **Student enrollment options.** (a) A student who attends a persistently low-performing school located in a city of the first class for at least one school year and whose family income is equal to or less than 175 percent of the federal poverty level is eligible to enroll in a nonpublic school under this section or in a nonresident district school or program under section 124D.03.

(b) For the purposes of this section, "persistently low-performing school" means a public school located in a city of the first class that has student performance levels for at least three consecutive school years immediately preceding the school year in which a student enrolls in a nonpublic school under this section or in a nonresident district school or program under section 124D.03, as follows:

(1) the combined total percentage of students scoring at the "does not meet standards" level for either the reading or mathematics Minnesota Comprehensive Assessment exceeds 40 percent for all grades tested;

(2) the combined percentage of students demonstrating "proficient, low growth," "not proficient, low growth," and "not proficient, medium growth" for either the reading or mathematics Minnesota Comprehensive Assessment exceeds 50 percent; or

(3) 50 percent or more students in secondary school do not receive a passing score when first tested on the graduation required assessment for diploma in reading, mathematics, or writing.

Subd. 2. Eligible nonpublic schools. (a) To be eligible to participate under this section, a nonpublic school must comply with section 121A.04 and chapter 363A; make reasonable accommodations for students and meet the requirements under the Americans with Disabilities Act, Public Law 101-336; adopt an antidiscrimination and harassment and violence prevention policy that complies with section 121A.03 and an anti-intimidation and bullying policy that complies with section 121A.0695; submit data to the commissioner in the form and manner required by the commissioner so that the school may be included in the state's annual school performance report cards under section 120B.36; accept students on a random basis, except that the nonpublic school may give preference to the siblings of students already enrolled in the nonpublic school; and notify the commissioner of its intent to participate under this section. The nonpublic school must administer the statewide reading and math tests under section 120B.30 to its students enrolled under this section.

(b) The commissioner shall ensure that the nonpublic school complies with the requirements of this subdivision.

Subd. 3. Tuition funding for students transferring to nonpublic schools. If a student transfers to a nonpublic school under this section, and upon receiving proof that the student is enrolled in the nonpublic school, the commissioner shall make quarterly payments to the student's parent or guardian in an amount equal to the lesser of the state average general education revenue per pupil unit, calculated without transportation sparsity revenue or the nonpublic school's operating and debt service cost per pupil that is related to educational programming, as determined by the commissioner. The commissioner shall send the check to the nonpublic school and the parent or guardian shall restrictively endorse the check for the nonpublic school's use.

The scholarship payments must be made by the commissioner to the recipients in four equal payments on September 15, December 15, March 15, and July 1.

Subd. 4. Student transportation. A resident school district must provide for transportation within the district's borders for a student who enrolls in a nonpublic school under this section and shall receive transportation funding equal to the actual costs in the current school year for those transportation services.

Subd. 5. Funding for student testing. The state shall pay the nonpublic school the costs of administering tests under section 120B.30.

Subd. 6. Curriculum review; exemption from instruction. A nonpublic school must provide a procedure for a parent, guardian, or an adult student, 18 years or older, to review the content of instructional materials and, if the materials are found objectionable, exempt the student from the instruction upon request.

Subd. 7. Financial audit. A nonpublic school enrolling students under this section must submit to the commissioner by November 15 of each year a summary of audited financial data for the preceding fiscal year.

Subd. 8. List of nonpublic schools. The commissioner shall publish a list of participating nonpublic schools.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to the 2011-2012 school year and later.

Sec. 15. Minnesota Statutes 2010, section 124D.86, subdivision 3, is amended to read:

Subd. 3. ~~Integration~~ **Innovation revenue.** ~~Integration revenue~~ (a) A district's innovation revenue equals the following amounts:

~~(1) for Independent School District No. 709, Duluth, \$206 times the adjusted pupil units for the school year;~~

~~(2) for Independent School District No. 625, St. Paul, 30 percent of \$445 times the adjusted pupil units for the school year;~~

~~(3) (2) for Special School District No. 1, Minneapolis, the sum of 30 percent of \$445 times the adjusted pupil units for the school year and an additional \$35 times the adjusted pupil units for the school year that is provided entirely through a local levy; and~~

~~(4) (3) for a district not listed in clause (1), or (2), or (3), that must implement a plan under Minnesota Rules, parts 3535.0100 to 3535.0180, where the district's enrollment of protected students, as defined under Minnesota Rules, part 3535.0110, exceeds 15 percent, the lesser of (i) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or (ii) \$129 times the adjusted pupil units for the school year; a district's innovation revenue allowance equals its integration revenue allowance for fiscal year 2011, except that a district's revenue allowance under this clause may not exceed \$129 per adjusted pupil unit for that year.~~

~~(5) for a district not listed in clause (1), (2), (3), or (4), that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0100 to 3535.0180, the lesser of~~

~~(i) the actual cost of implementing the plan during the fiscal year minus the aid received under subdivision 6, or~~

~~(ii) \$92 times the adjusted pupil units for the school year.~~

~~Any money received by districts in clauses (1) to (3) which exceeds the amount received in fiscal year 2000 shall be subject to the budget requirements in subdivision 1a; and~~

~~(6) for a member district of a multidistrict integration collaborative that files a plan with the commissioner, but is not contiguous to a racially isolated district, integration revenue equals the amount defined in clause (5).~~

(b) A district's innovation levy equals 100 percent of the district's innovation revenue under paragraph (a), clauses (1) and (2), and 30 percent of the district's innovation revenue under paragraph (a), clause (3).

(c) A district's innovation aid equals its innovation revenue minus its innovation levy.

(d) Innovation revenue received under this section must be spent on research-based activities designed to close the achievement gap.

EFFECTIVE DATE. This section is effective for state aid recognized by school districts in fiscal year 2012 and later and for levies payable in 2012 and later.

Sec. 16. Minnesota Statutes 2010, section 179A.16, subdivision 1, is amended to read:

Subdivision 1. **Nonessential employees.** An exclusive representative or an employer of a unit of employees other than essential employees ~~or teachers~~ may request interest arbitration by providing written notice of the request to the other party and the commissioner. The written request for arbitration must specify the items to be submitted to arbitration and whether conventional, final-offer total-package, or final-offer item-by-item arbitration is contemplated by the request.

The items to be submitted to arbitration and the form of arbitration to be used are subject to mutual agreement. If an agreement to arbitrate is reached, it must be reduced to writing and a copy of the agreement filed with the commissioner. A failure to respond, or to reach agreement on the items or form of arbitration, within 15 days of receipt of the request to arbitrate constitutes a rejection of the request.

EFFECTIVE DATE. This section is effective beginning July 1, 2013, and applies to all teacher collective bargaining agreements entered into or modified after that date.

Sec. 17. **[179A.175] TEACHER CONTRACTS.**

Notwithstanding section 179A.16 and any other law to the contrary, a school board and the exclusive representative of the teachers may meet and negotiate and enter into an employment contract between March 15 and October 15 in an odd-numbered year. If the school board and the exclusive representative fail to reach a certified written agreement by October 15 in the odd-numbered year, the negotiations must be suspended until the next even-numbered calendar year and resume during the three-month period preceding September 1 when school is not in session. During the time the negotiations are suspended, employee compensation must be according to the terms of the collective bargaining agreement in effect in the preceding collective bargaining cycle. If agreement is not reached during the three-month period in the even-numbered year, the school board must submit the matter to an arbitrator selected by the Bureau of Mediation Services who must determine the matter based on a final offer total package from each party. The arbitrator's award must not cause a structural imbalance in a district's budget during the contract term that is subject to the arbitrator's award under this section. An award will not cause a structural imbalance only if district expenditures do not exceed available revenue, taking into account current state aid formulas and reasonable and comprehensive calculations and projections of the district's ongoing revenues and expenditures during the contract term. Onetime revenue must not be considered when calculating or projecting available revenue for ongoing expenditures in a contract term.

EFFECTIVE DATE. This section is effective beginning July 1, 2013, and applies to all teacher collective bargaining agreements entered into or modified after that date.

Sec. 18. Minnesota Statutes 2010, section 179A.18, subdivision 1, is amended to read:

Subdivision 1. **When authorized.** Essential employees and teachers may not strike. Except as otherwise provided by subdivision 2 and section 179A.17, subdivision 2, other public employees may strike only under the following circumstances:

(1)(i) the collective bargaining agreement between their exclusive representative and their employer has expired or, if there is no agreement, impasse under section 179A.17, subdivision 2, has occurred; and

(ii) the exclusive representative and the employer have participated in mediation over a period of at least 45 days, provided that the mediation period established by section 179A.17, subdivision 2, governs negotiations under that section, and provided that for the purposes of this subclause the mediation period commences on the day following receipt by the commissioner of a request for mediation; or

(2) the employer violates section 179A.13, subdivision 2, clause (9); or

(3) in the case of state employees, (i) the Legislative Coordinating Commission has rejected a negotiated agreement or arbitration decision during a legislative interim; or (ii) the entire legislature rejects or fails to ratify a negotiated agreement or arbitration decision, which has been approved during a legislative interim by the Legislative Coordinating Commission, at a special legislative session called to consider it, or at its next regular legislative session, whichever occurs first.

EFFECTIVE DATE. This section is effective beginning July 1, 2013, and applies to all teacher collective bargaining agreements entered into or modified after that date.

Sec. 19. Minnesota Statutes 2010, section 179A.18, subdivision 3, is amended to read:

Subd. 3. **Notice.** In addition to the other requirements of this section, no employee may strike unless written notification of intent to strike is served on the employer and the commissioner by the exclusive representative at least ten days prior to the commencement of the strike. For all employees ~~other than teachers~~, if more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. ~~For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:~~

- ~~(1) an original notice was provided pursuant to this section; and~~
- ~~(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and~~
- ~~(3) such tentative agreement was rejected by either party during or after the original strike notice period.~~

The first day of the renewed strike notice period shall commence on the day following the expiration of the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred.

EFFECTIVE DATE. This section is effective beginning July 1, 2013, and applies to all teacher collective bargaining agreements entered into or modified after that date.

Sec. 20. **IMPLEMENTING A PERFORMANCE-BASED EVALUATION SYSTEM FOR PRINCIPALS.**

(a) To implement the requirements of Minnesota Statutes, sections 123B.143, subdivision 1, clause (3), and 122A.73, the commissioner of education, the Minnesota Association of Secondary School Principals, and the Minnesota Association of Elementary School Principals must convene a group of recognized and qualified experts and interested stakeholders, including principals, superintendents, teachers, school board members, and parents, among other stakeholders, to develop a performance-based system model for annually evaluating school principals. In developing the system model, the group must at least consider how principals develop and maintain:

- (1) high standards for student performance;
- (2) rigorous curriculum;
- (3) quality instruction;
- (4) a culture of learning and professional behavior;
- (5) connections to external communities;
- (6) systemic performance accountability; and
- (7) leadership behaviors that create effective schools and improve school performance, including how to plan for, implement, support, advocate for, communicate about, and monitor continuous and improved learning.

The group also may consider whether to establish a multitiered evaluation system that supports newly licensed principals in becoming highly skilled school leaders and provides opportunities for advanced learning for more experienced school leaders.

(b) The commissioner, the Minnesota Association of Secondary School Principals, and the Minnesota Association of Elementary School Principals must submit a written report and all the group's working papers to the education committees of the legislature by February 1, 2012, discussing the group's responses to paragraph (a) and its recommendations for a performance-based system model for annually evaluating school principals. The group convened under this section expires June 1, 2012.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to principal evaluations beginning in the 2013-2014 school year and later.

Sec. 21. **REPORT; PLAN FOR IMPLEMENTING SCHOOL AND DISTRICT GRADING SYSTEM.**

The commissioner of education must convene a stakeholder group that includes assessment and evaluation directors, educators, researchers, and parents to advise the commissioner on developing a plan to implement the school and district grading system under Minnesota Statutes, section 120B.361. The commissioner must present the plan in writing to the education policy and finance committees of the legislature by February 15, 2012, and include any recommendations for further clarifying Minnesota Statutes, section 120B.361.

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

Sec. 22. **REPORT; RECOMMENDATIONS FOR INCREASING SCHOOLS' FINANCIAL FLEXIBILITY.**

The commissioner of education must submit to the education policy and finance committees of the legislature by February 1, 2013, written recommendations that identify fiscal mandates the legislature might waive to give greater financial flexibility to schools that received a letter grade of "A," improved at least one letter grade in the preceding school year, or improved two or more letter grades in the two preceding school years under Minnesota Statutes, section 120B.361, subdivision 1.

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

Sec. 23. **ASSESSMENT ADVISORY COMMITTEE; RECOMMENDATIONS.**

(a) The Assessment Advisory Committee under Minnesota Statutes, section 120B.365, must develop recommendations for alternative methods by which students meet the reading and writing exam requirement under Minnesota Statutes, section 120B.30, subdivision 1b, paragraph (b), clause (10). The Assessment Advisory Committee, among other alternative methods and if consistent with federal educational accountability law, must consider allowing students to:

(1) achieve a college-credit score on a college-level examination program (CLEP) for reading and writing; or

(2) achieve a college readiness score in the relevant subject area on the American college test (ACT) or scholastic aptitude test (SAT) exam.

(b) The Assessment Advisory Committee must develop recommendations for alternative methods by which students satisfy the high school algebra and biology requirements under Minnesota Statutes, section 120B.30, subdivision 1b, paragraph (d), clause (8), and demonstrate their college and career readiness. The Assessment Advisory Committee, among other alternative methods and if consistent with federal educational accountability law, must consider allowing students to:

(1) achieve the mathematics or science college readiness score on the American college test (ACT) or scholastic aptitude test (SAT) exam;

(2) achieve a college-credit score on a college-level examination program (CLEP) for algebra or biology; or

(3) achieve a score on an equivalent advanced placement or international baccalaureate exam that would earn credit at a four-year college or university.

(c) The Assessment Advisory Committee, for purposes of fully implementing the high school assessment system under Minnesota Statutes, section 120B.30, subdivision 1b, also must develop recommendations for the administrative structure, criteria, and processes for implementing the state-level student appeals process. Finally, the Assessment Advisory Committee must develop recommendations for calculating the alignment index, including how questions about validity and reliability are resolved, defining "misaligned" and "highly misaligned," and when and under what specific circumstances misalignments occur.

(d) By February 15, 2013, the Assessment Advisory Committee must submit its recommendations under this section to the education commissioner and the education policy and finance committees of the legislature.

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

Sec. 24. **ALTERNATIVE COMPENSATION REAPPLICATION.**

Any school district, intermediate school district, or charter school that has an approved alternative teacher compensation plan under Minnesota Statutes, section 122A.414, must submit a new application to the commissioner of education by June 1, 2013, that complies with the changes to Minnesota Statutes, section 122A.414, subdivision 2, paragraph (b).

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

Sec. 25. **APPROPRIATIONS.**

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

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

<u>\$48,180,000</u>	<u>.....</u>	<u>2012</u>
<u>\$53,772,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$13,336,000 for 2011 and \$34,844,000 for 2012.

The 2013 appropriation includes \$14,933,000 for 2012 and \$38,839,000 for 2013.

Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid under Minnesota Statutes, section 124D.11, subdivision 8:

<u>\$600,000</u>	<u>.....</u>	<u>2012</u>
<u>\$1,278,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$119,000 for 2011 and \$481,000 for 2012.

The 2013 appropriation includes \$205,000 for 2012 and \$1,073,000 for 2013.

Subd. 4. **Innovation aid.** For innovation aid under Minnesota Statutes, section 124D.86:

<u>\$53,088,000</u>	<u>.....</u>	<u>2012</u>
<u>\$36,559,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$27,497,000 for 2011 and \$25,592,000 for 2012.

The 2013 appropriation includes \$10,967,000 for 2012 and \$25,592,000 for 2013.

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

<u>\$14,917,000</u>	<u>.....</u>	<u>2012</u>
<u>\$16,612,000</u>	<u>.....</u>	<u>2013</u>

Subd. 6. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

<u>\$2,137,000</u>	<u>.....</u>	<u>2012</u>
<u>\$2,137,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$641,000 for 2011 and \$1,496,000 for 2012.

The 2013 appropriation includes \$641,000 for 2012 and \$1,496,000 for 2013.

Subd. 7. **American Indian teacher preparation grants.** For joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

<u>\$190,000</u>	<u>.....</u>	<u>2012</u>
<u>\$190,000</u>	<u>.....</u>	<u>2013</u>

Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

<u>\$2,091,000</u>	<u>.....</u>	<u>2012</u>
<u>\$2,207,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$600,000 for 2011 and \$1,491,000 for 2012.

The 2013 appropriation includes \$638,000 for 2012 and \$1,569,000 for 2013.

Subd. 9. **Early childhood programs at tribal schools.** For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83, subdivision 4:

<u>\$68,000</u>	<u>.....</u>	<u>2012</u>
<u>\$68,000</u>	<u>.....</u>	<u>2013</u>

Subd. 10. **Statewide testing and reporting system.** For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:

<u>\$15,150,000</u>	<u>.....</u>	<u>2012</u>
<u>\$15,150,000</u>	<u>.....</u>	<u>2013</u>

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

Subd. 11. Examination fees; teacher training and support programs. (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

<u>\$4,500,000</u>	.....	<u>2012</u>
<u>\$4,500,000</u>	.....	<u>2013</u>

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

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

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

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

Subd. 12. Concurrent enrollment programs. For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

<u>\$2,000,000</u>	.....	<u>2012</u>
<u>\$2,000,000</u>	.....	<u>2013</u>

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

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

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

<u>\$528,000</u>	.....	<u>2012</u>
<u>\$528,000</u>	.....	<u>2013</u>

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

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

Subd. 14. **Youth works program.** For funding youth works programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$900,000</u>	.....	<u>2012</u>
<u>\$900,000</u>	.....	<u>2013</u>

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

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

<u>\$725,000</u>	.....	<u>2012</u>
<u>\$725,000</u>	.....	<u>2013</u>

\$40,000 each year is for student organizations serving health occupations.

\$38,000 each year is for student organizations serving service occupations.

\$88,000 each year is for student organizations serving trade and industry occupations.

\$84,000 each year is for student organizations serving business occupations.

\$131,000 each year is for student organizations serving agriculture occupations.

\$125,000 each year is for student organizations serving family and consumer science occupations.

\$95,000 each year is for student organizations serving marketing occupations.

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

Subd. 16. **Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<u>\$1,375,000</u>	.....	<u>2012</u>
<u>\$1,375,000</u>	.....	<u>2013</u>

Up to \$1,375,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program established by Serve Minnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

Subd. 17. **Education planning and assessment system (EPAS) program.** For the educational planning and assessment system (EPAS) program under Minnesota Statutes, section 120B.128:

<u>\$829,000</u>	.....	<u>2012</u>
<u>\$829,000</u>	.....	<u>2013</u>

Subd. 18. **Principals' Leadership Institute.** For principal leadership activities under Minnesota Statutes, section 122A.74:

<u>\$150,000</u>	.....	<u>2012</u>
<u>\$150,000</u>	.....	<u>2013</u>

Subd. 19. **School recognition awards.** For payments to school districts for the school recognition award program under Minnesota Statutes, section 120B.361:

<u>\$0</u>	<u>.....</u>	<u>2012</u>
<u>\$3,455,000</u>	<u>.....</u>	<u>2013</u>

The 2013 appropriation includes \$0 for 2012 and \$3,455,000 for 2013.

Subd. 20. **Enrollment options for students at low-performing schools.** For the enrollment options for students at low-performing schools under Minnesota Statutes, section 124D.031:

<u>\$5,616,000</u>	<u>.....</u>	<u>2012</u>
<u>\$13,131,000</u>	<u>.....</u>	<u>2013</u>

Of this appropriation, \$400,000 in 2012 and \$800,000 in 2013 are for payments to school districts for reimbursement for transportation expenses under Minnesota Statutes, section 124D.031, subdivision 4.

Sec. 26. **REPEALER.**

(a) Minnesota Statutes 2010, sections 123B.05; and 179A.18, subdivision 2, are repealed.

(b) Minnesota Statutes 2010, section 124D.86, subdivisions 1, 1a, 2, 4, 5, and 6; and Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; and 3535.0180, are repealed.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective July 1, 2011.

ARTICLE 3
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2010, section 125A.07, is amended to read:

125A.07 RULEMAKING.

(a) Consistent with this section, the commissioner shall adopt new rules and amend existing rules related to children with disabilities only ~~under~~ after receiving specific legislative authority to do so, consistent with section 127A.05, subdivision 4, and consistent with the requirements of chapter 14 and paragraph (c). Technical changes and corrections are exempted from this paragraph.

(b) As provided in this paragraph, the state's regulatory scheme should support schools by assuring that all state special education rules adopted by the commissioner result in one or more of the following outcomes:

(1) increased time available to teachers and, where appropriate, to support staff including school nurses for educating students through direct and indirect instruction;

(2) consistent and uniform access to effective education programs for students with disabilities throughout the state;

(3) reduced inequalities and conflict, appropriate due process hearing procedures and reduced court actions related to the delivery of special education instruction and services for students with disabilities;

- (4) clear expectations for service providers and for students with disabilities;
 - (5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;
 - (6) greater focus for the state and local resources dedicated to educating students with disabilities; and
 - (7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.
- (c) Subject to chapter 14, the commissioner may adopt, amend, or rescind a rule related to children with disabilities if such action is specifically required by federal law.

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

Sec. 2. Minnesota Statutes 2010, section 125A.21, subdivision 2, is amended to read:

Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial and annual written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical assistance or MinnesotaCare for the ~~individual~~ individualized education ~~plan~~ program health-related services provided by the district. The initial notice must give the child's parent or legal representative the right to:

(1) request a copy of the child's education records on the health-related services that the district provided to the child and disclosed to a third-party payer;

(2) withdraw consent for the district to disclose information in a child's education record at any time without affecting a parent's eligibility for MinnesotaCare or medical assistance under section 256B.08, subdivision 1, including consent that the parent or legal representative gave as part of the application process for MinnesotaCare or medical assistance; and

(3) receive a statement, consistent with clause (2), indicating that a decision to withdraw consent for the district to disclose information in a child's education record does not affect a parent's eligibility for MinnesotaCare or medical assistance.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individual education plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individual education plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence, including consent that the parent or legal representative gave as part of the application process for any public assistance program that may result in a parent's eligibility for MinnesotaCare or medical assistance under section 256B.08, subdivision 1.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individual education plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individual education plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health care coverage.

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

Sec. 3. Minnesota Statutes 2010, section 125A.21, subdivision 3, is amended to read:

Subd. 3. **Use of reimbursements.** Of the reimbursements received, districts may:

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

(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to ~~determine which services are reimbursable and to seek timely reimbursement in a cost-effective manner~~ access third-party payments for individualized education program health-related services; or

(3) reallocate reimbursements for the benefit of students with ~~special needs~~ individualized education programs or individual family service plans in the district.

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

Sec. 4. Minnesota Statutes 2010, section 125A.21, subdivision 5, is amended to read:

Subd. 5. **Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4a; ~~and~~, 256B.77, subdivision 2, paragraph (p), and Code of Federal Regulations, title 34, parts 99 and 300, to bill health plans for covered services, the school district must notify the legal representative (1) that the cost of the person's private health insurance premium may increase due to providing the covered service in the school setting, (2) that the school district may pay certain enrollee health plan costs, including but not limited to, co-payments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or individual family service plan, and (3) that the school's billing for each type of covered service may affect service limits and prior authorization thresholds. The informed consent may be revoked in writing at any time by the person authorizing the billing of the health plan.

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

Sec. 5. Minnesota Statutes 2010, section 125A.21, subdivision 7, is amended to read:

Subd. 7. **District disclosure of information.** A school district may disclose information contained in a student's ~~individual~~ individualized education ~~plan~~ program, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 and 300; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual, including consent that the parent or legal representative gave as part of the application process for MinnesotaCare or medical assistance under section 256B.08, subdivision 1. The school district shall disclose only that information necessary for the health plan company to decide matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

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

Sec. 6. Minnesota Statutes 2010, section 125A.515, is amended by adding a subdivision to read:

Subd. 3a. **Students without a disability from other states.** A school district is not required to provide education services under this section to a student who:

(1) is not a resident of Minnesota;

(2) does not have an individualized education program; and

(3) does not have a tuition arrangement or agreement to pay the cost of education from the placing authority.

EFFECTIVE DATE. This section is effective July 1, 2011, for fiscal year 2012 and later.

Sec. 7. Minnesota Statutes 2010, section 125A.69, subdivision 1, is amended to read:

Subdivision 1. **Two kinds Admissions.** ~~There are two kinds of Admission to the Minnesota State Academies is~~ described in this section.

(a) A pupil who is deaf, hard of hearing, or ~~blind-deaf~~ deafblind, may be admitted to the Academy for the Deaf. A pupil who is blind or visually impaired, ~~blind-deaf~~ deafblind, or multiply disabled may be admitted to the Academy for the Blind. For a pupil to be admitted, two decisions must be made under sections 125A.03 to 125A.24 and 125A.65.

(1) It must be decided by the individual education planning team that education in regular or special education classes in the pupil's district of residence cannot be achieved satisfactorily because of the nature and severity of the deafness or blindness or visual impairment respectively.

(2) It must be decided by the individual education planning team that the academy provides the most appropriate placement within the least restrictive alternative for the pupil.

(b) A deaf or hard-of-hearing child or a visually impaired pupil may be admitted to get socialization skills or on a short-term basis for skills development.

(c) A parent of a child who resides in Minnesota and who meets the disability criteria for being deaf or hard of hearing, blind or visually impaired, or multiply disabled may apply to place the child in the Minnesota State Academies. Academy staff must review the application to determine whether the Minnesota State Academies is an appropriate placement for the child. If academy staff determine that the Minnesota State Academies is an appropriate placement, the staff must invite the individualized education program team at the child's resident school district to participate in a meeting to arrange a trial placement of between 60 and 90 calendar days at the Minnesota State Academies. If the child's parent consents to the trial placement, the Minnesota State Academies is the responsible serving school district and incurs all due process obligations under law, and the child's resident school district is responsible for any transportation included in the child's individualized education program during the trial placement. Before the trial placement ends, academy staff must convene an individualized education program team meeting to determine whether to continue the child's placement at the Minnesota State Academies or that another placement is appropriate. If the academy members of the individualized education program team and the parent are unable to agree on the child's placement, the child's placement reverts to the placement in the child's individualized education program that immediately preceded the trial placement. If the parent and individualized education program team agree to continue the placement beyond the trial period, the transportation and due process responsibilities are the same as those described for the trial placement under this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 8. Minnesota Statutes 2010, section 125A.76, subdivision 1, is amended to read:

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

(a) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(b) "Essential personnel" means teachers, cultural liaisons, related services, and support services staff providing services to students. Essential personnel may also include special education paraprofessionals or clericals providing support to teachers and students by preparing paperwork and making arrangements related to special education compliance requirements, including parent meetings and individual education plans. Essential personnel does not include administrators and supervisors.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means ~~4.046~~ 1.0 for fiscal year 2012 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 9. Minnesota Statutes 2010, section 125A.79, subdivision 1, is amended to read:

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

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, equipment, and transportation services under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus the total qualifying referendum revenue specified in paragraph (e) minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means ~~4.02~~ 1.0 for fiscal year 2012 and later.

(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2012 and later.

Sec. 10. Laws 2009, chapter 79, article 5, section 60, as amended by Laws 2009, chapter 173, article 1, section 37, is amended to read:

Sec. 60. Minnesota Statutes 2008, section 256L.05, is amended by adding a subdivision to read:

Subd. 1c. **Open enrollment and streamlined application and enrollment process.** (a) The commissioner and local agencies working in partnership must develop a streamlined and efficient application and enrollment process for medical assistance and MinnesotaCare enrollees that meets the criteria specified in this subdivision.

(b) The commissioners of human services and education shall provide recommendations to the legislature by January 15, 2010, on the creation of an open enrollment process for medical assistance and MinnesotaCare that is coordinated with the public education system. The recommendations must:

(1) be developed in consultation with medical assistance and MinnesotaCare enrollees and representatives from organizations that advocate on behalf of children and families, low-income persons and minority populations, counties, school administrators and nurses, health plans, and health care providers;

(2) be based on enrollment and renewal procedures best practices;

(3) simplify the enrollment and renewal processes wherever possible; and

(4) establish a process:

(i) to disseminate information on medical assistance and MinnesotaCare to all children in the public education system, including prekindergarten programs; and

(ii) for the commissioner of human services to enroll children and other household members who are eligible.

The commissioner of human services in coordination with the commissioner of education shall implement an open enrollment process by August 1, 2010, to be effective beginning with the 2010-2011 school year.

(c) The commissioner and local agencies shall develop an online application process for medical assistance and MinnesotaCare.

(d) The commissioner shall develop an application for children that is easily understandable and does not exceed four pages in length.

(e) The commissioner of human services shall present to the legislature, by January 15, 2010, an implementation plan for the open enrollment period and online application process.

(f) The commissioner of human services, after consulting with the commissioner of education, shall include on new and revised Minnesota health care program application forms, including electronic application forms, an authorization for consent that, if signed by the parent or legal representative of a child receiving health-related services through an individualized education program or an individual family services plan, would allow the school district or other provider of covered services to release information from the child's education record to the commissioner to permit the provider to be reimbursed by MinnesotaCare or medical assistance. The authorization for consent under this paragraph must conform to federal data practices law governing access to nonpublic data in a child's education record and indicate that the parent or legal representative of the child may withdraw his or her consent at any time without any consequence to the parent or child. The commissioner must include this authorization for consent on an application form at the time the commissioner reviews, revises, or replaces the form.

EFFECTIVE DATE. This section is effective July 1, 2011.

Sec. 11. **THIRD-PARTY BILLING.**

(a) To allow cost-effective billing of medical assistance for covered services that are not reimbursed by legally liable third party private payers, the commissioner of human services must:

(1) summarize and document school district efforts to secure reimbursement from legally liable third parties; and

(2) request initial and continuing waivers of the requirement to seek payment from a child's private health plan, consistent with Code of Federal Regulations, title 42, section 433.139, chapter IV, part 433, based on the determination by the Centers for Medicare and Medicaid Services that this requirement is not cost-effective. The waiver request must seek permission for the commissioner to allow school districts to bill Medicaid alone, without first billing private payers, when a child has both public and private coverage.

(b) If the Centers for Medicare and Medicaid Services does not grant ongoing permission to implement paragraph (a), clause (2), the commissioner of human services shall seek permission to implement clause (2) on a time-limited basis, with the opportunity to renew this time-limited permission as needed.

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

Sec. 12. **APPROPRIATIONS.**

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

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

<u>\$789,955,000</u>	.....	<u>2012</u>
<u>\$796,681,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$235,975,000 for 2011 and \$553,980,000 for 2012.

The 2013 appropriation includes \$237,419,000 for 2012 and \$559,262,000 for 2013.

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

<u>\$1,648,000</u>	.....	<u>2012</u>
<u>\$1,745,000</u>	.....	<u>2013</u>

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

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

<u>\$357,000</u>	.....	<u>2012</u>
<u>\$359,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$107,000 for 2011 and \$250,000 for 2012.

The 2013 appropriation includes \$107,000 for 2012 and \$252,000 for 2013.

Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota Statutes, section 125A.79, subdivision 7:

<u>\$111,243,000</u>	.....	<u>2012</u>
<u>\$112,122,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$53,449,000 for 2011 and \$57,794,000 for 2012.

The 2013 appropriation includes \$53,777,000 for 2012 and \$58,345,000 for 2013.

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

<u>\$80,000</u>	.....	<u>2012</u>
<u>\$82,000</u>	.....	<u>2013</u>

Subd. 7. **Special education out-of-state tuition.** For special education out-of-state tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

<u>\$250,000</u>	<u>.....</u>	<u>2012</u>
<u>\$250,000</u>	<u>.....</u>	<u>2013</u>

Sec. 13. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall substitute the term "individualized education program" or similar terms for "individual education plan" or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules referring to the requirements relating to the federal Individuals with Disabilities Education Act. The revisor shall also make grammatical changes related to the changes in terms.

ARTICLE 4
FACILITIES AND TECHNOLOGIES

Section 1. Minnesota Statutes 2010, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) ~~\$17,161,000~~ \$12,425,000 in fiscal year 2012 ~~and \$19,175,000,~~ \$20,459,000 in fiscal year 2013, ~~\$28,558,000~~ in fiscal year 2014, and \$24,095,000 in fiscal year 2015 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 2. Minnesota Statutes 2010, section 123B.59, subdivision 5, is amended to read:

Subd. 5. **Levy authorized.** A district may levy for costs related to an approved facility plan as follows:

(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3 ~~after reduction for any alternative facilities aid receivable under subdivision 6;~~ or

(b) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy according to the schedule approved in the plan ~~after reduction for any alternative facilities aid receivable under subdivision 6.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2013 and later.

Sec. 3. Minnesota Statutes 2010, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2022, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease ~~purchase~~ agreement for to finance improvements to a building for a

group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000 each year.

EFFECTIVE DATE. This section is effective for taxes payable in 2012 and later.

Sec. 4. **EARLY REPAYMENT.**

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

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

Sec. 5. **APPROPRIATIONS.**

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

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

<u>\$123,000</u>	<u>.....</u>	<u>2012</u>
<u>\$113,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$39,000 for 2011 and \$84,000 for 2012.

The 2013 appropriation includes \$36,000 for 2012 and \$77,000 for 2013.

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

<u>\$12,425,000</u>	<u>.....</u>	<u>2012</u>
<u>\$20,459,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$2,604,000 for 2011 and \$9,821,000 for 2012.

The 2013 appropriation includes \$4,208,000 for 2012 and \$16,251,000 for 2013.

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

<u>\$19,287,000</u>	<u>.....</u>	<u>2012</u>
<u>\$5,786,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$5,786,000 for 2011 and \$13,501,000 for 2012.

The 2013 appropriation includes \$5,786,000 for 2012 and \$0 for 2013.

Subd. 5. **Equity in telecommunications access.** For equity in telecommunications access:

<u>\$3,750,000</u>	.....	<u>2012</u>
<u>\$3,750,000</u>	.....	<u>2013</u>

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2012 and 2013 shall be prorated.

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

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

<u>\$2,494,000</u>	.....	<u>2012</u>
<u>\$3,035,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$676,000 for 2011 and \$1,818,000 for 2012.

The 2013 appropriation includes \$778,000 for 2012 and \$2,257,000 for 2013.

Sec. 6. **REPEALER.**

Minnesota Statutes 2010, section 123B.59, subdivisions 6 and 7, are repealed.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2013 and later.

ARTICLE 5 NUTRITION AND ACCOUNTING

Section 1. Minnesota Statutes 2010, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, ~~paragraph (a), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20,~~ by the same amount;

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; and

(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

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

Sec. 2. Minnesota Statutes 2010, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** (a) For fiscal years 2009 and 2010, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) zero percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

(b) For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus

(iii) 48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, ~~not including the levy portions that are assumed by the state,~~ that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).

EFFECTIVE DATE. This section is effective for fiscal year 2011 and later.

Sec. 3. Minnesota Statutes 2010, section 127A.441, is amended to read:

127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.

(a) Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b), shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section.

(b) The commissioner shall schedule the timing of the adjustments under paragraph (a) as close to the end of the fiscal year as possible.

The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

EFFECTIVE DATE. This section is effective for fiscal year 2011 and later.

Sec. 4. Minnesota Statutes 2010, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals 73 in fiscal year 2010, 70 in fiscal ~~year~~ years 2011, 2012, and 2013, and 90 in fiscal ~~years~~ year 2014 and later.

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

Sec. 5. **LEVY AID RECOGNITION TIMING.**

Notwithstanding Minnesota Statutes, section 127A.441, paragraph (b), the commissioner of education shall schedule the portion of the aid adjustment for fiscal year 2011 attributable to the exclusion of levy portions assumed by the state from the levy recognition calculation under Minnesota Statutes, section 123B.75, subdivision 5, to occur with the final payment for fiscal year 2011 made on October 30, 2011.

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

Sec. 6. **FUND TRANSFER; FISCAL YEARS 2012 AND 2013 ONLY.**

(a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2012 and 2013 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund or the food service fund.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

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

Sec. 7. **APPROPRIATIONS.**

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

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

<u>\$12,626,000</u>	.....	<u>2012</u>
<u>\$12,878,000</u>	.....	<u>2013</u>

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

<u>\$4,759,000</u>	.....	<u>2012</u>
<u>\$4,875,000</u>	.....	<u>2013</u>

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

<u>\$1,084,000</u>	.....	<u>2012</u>
<u>\$1,105,000</u>	.....	<u>2013</u>

Subd. 5. **Summer food service replacement aid.** For summer food service replacement aid under Minnesota Statutes, section 124D.119:

<u>\$150,000</u>	<u>.....</u>	<u>2012</u>
<u>\$150,000</u>	<u>.....</u>	<u>2013</u>

Sec. 8. **REPEALER.**

Minnesota Statutes 2010, section 127A.46, is repealed.

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

ARTICLE 6
LIBRARIES

Section 1. **DEPARTMENT OF EDUCATION; LIBRARY APPROPRIATIONS.**

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

Subd. 2. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

<u>\$13,570,000</u>	<u>.....</u>	<u>2012</u>
<u>\$13,570,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$4,071,000 for 2011 and \$9,499,000 for 2012.

The 2013 appropriation includes \$4,071,000 for 2012 and \$9,499,000 for 2013.

Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$1,300,000</u>	<u>.....</u>	<u>2012</u>
<u>\$1,300,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$390,000 for 2011 and \$910,000 for 2012.

The 2013 appropriation includes \$390,000 for 2012 and \$910,000 for 2013.

Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

<u>\$900,000</u>	<u>.....</u>	<u>2012</u>
<u>\$900,000</u>	<u>.....</u>	<u>2013</u>

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

Subd. 5. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

<u>\$2,300,000</u>	<u>.....</u>	<u>2012</u>
<u>\$2,300,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$690,000 for 2011 and \$1,610,000 for 2012.

The 2013 appropriation includes \$690,000 for 2012 and \$1,610,000 for 2013.

ARTICLE 7 EARLY CHILDHOOD EDUCATION

Section 1. **[119C.01] DEFINITIONS.**

Subdivision 1. **Definitions.** The terms defined in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of education.

Subd. 3. **Eligible program.** "Eligible program" means a Head Start program under section 119A.50, school readiness program under section 124D.15, licensed center-based child care program under chapter 245A, or licensed family child care program under chapter 245A.

Subd. 4. **Income.** "Income" has the meaning given in section 119B.011, subdivision 15.

Subd. 5. **Parent Aware.** "Parent Aware" means the voluntary evidence-based quality rating and improvement system for early childhood education under section 119C.02.

Subd. 6. **Parent Aware Plus regions.** "Parent Aware Plus regions" means Parent Aware regions as designated by the commissioner under section 119C.03, subdivision 5.

Subd. 7. **Parent Aware region.** "Parent Aware region" means a geographic area approved by the commissioner under section 119C.03.

Subd. 8. **Rated program.** "Rated program" means an eligible program in a Parent Aware region that receives one, two, three, or four stars.

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

Sec. 2. **[119C.02] PARENT AWARE.**

Subdivision 1. **Department of Education; request for proposal.** The Department of Education must develop a request for proposal for an organization to: (1) develop the methods used to verify, assess, and monitor program compliance with the standards, including review of and action on applications; (2) conduct on-site assessments; (3) develop and maintain a data quality management system for compiling all data used to calculate program ratings and related procedures for ensuring data quality and integrity; and (4) coordinate a system for sharing ratings and related quality information with the public. The commissioner must consult with the Minnesota Early Learning Foundation to design the request for proposal. Eligible responders include units of state and local governments, nonprofit organizations, research organizations, and educational institutions. The commissioner shall issue a request for proposal by July 30, 2011. The commissioner shall issue a contract by October 31, 2011. The contract is valid for three years. By July 30, 2014, and every three years thereafter, the commissioner must consult with the

Minnesota Early Learning Foundation or its designated successor organization to review and update the request for proposal. The contract must be issued by October 31, 2014, and every three years thereafter. The Minnesota Early Learning Foundation and its designated successor organization are consultants to the commissioner on the request for proposal and are not eligible responders.

Subd. 2. **Criteria; measure.** (a) Parent Aware must use quality ratings shown to be linked to improving children's school readiness outcomes and must evaluate, at a minimum, how programs perform in the following areas:

(1) family partnerships;

(2) tracking learning;

(3) teacher training and education; and

(4) teaching materials and strategies.

(b) The commissioner must establish and regularly update the standards and indicators that determine program quality for the quality rating system. In fiscal year 2012 and later, the commissioner must use the Minnesota quality rating system tool in use in fiscal year 2011, the results of the evaluations of that quality rating system, and the recommendations in the report required under section 124D.142.

(c) Ratings must be indicated using stars. Four stars is the best possible rating. No stars means the program has not been rated.

Subd. 3. **Rated programs.** At least twice each year, beginning June 30, 2012, the contract entity awarded the contract in subdivision 1 must submit a list of rated programs to the commissioner. The list of rated programs serves as the commissioner's rating. The commissioner's decision is final.

Subd. 4. **Evaluation.** The commissioner shall contract with an independent private organization to use private funds to evaluate the Parent Aware quality rating system if sufficient private funding is available. The evaluation must incorporate rating levels and outcome-based data reflecting child progress toward school readiness. The evaluation must also include recommendations on continued monitoring and improvement of the correlation between rating levels and outcome-based child progress toward school readiness. The commissioner shall make available to the independent private organization any data requested by the organization consistent with chapter 13 and at no cost to the organization.

Sec. 3. **[119C.03] SELECTION PROCESS FOR PARENT AWARE REGIONS.**

Subdivision 1. **Designation of Parent Aware regions.** For the purposes of this section, Parent Aware regions are the economic development regions as designated by the governor under section 462.385.

Subd. 2. **Application process.** The commissioner of education, in consultation with the commissioner of human services, shall develop an application process to select new Parent Aware regions using the following criteria:

(1) the percentage of preschool-aged children who are from families with income equal to or less than 47 percent of the state median income;

(2) the region's demonstrated efforts to use existing public and private resources to improve program quality in alignment with Parent Aware quality standards;

(3) the level of community support, especially support of the school districts, Head Start programs, counties, and local representatives of child care centers and licensed family child care homes; and

(4) the demonstration of quality improvement support from local nonprofits and foundations.

Subd. 3. **Application preparation.** A resource and referral organization under section 119B.19, or other entities designated by the commissioner of education, must prepare and submit the application for their region for approval under subdivision 4 to become a Parent Aware region in coordination with local partners.

Subd. 4. **Region approval.** The commissioner shall develop an application process by December 1, 2011. A region may apply beginning February 1, 2012, to become a Parent Aware region. Economic development regions 9, 10, and 11 are automatically approved as Parent Aware regions beginning in fiscal year 2012. The commissioner shall approve the first Parent Aware region by June 30, 2012, and shall approve all regions as Parent Aware regions by June 30, 2015.

Subd. 5. **Parent Aware Plus regions; commissioner approval.** The commissioner of education must designate a Parent Aware region as a Parent Aware Plus region when there is a sufficient number of programs rated for each program type. The commissioner must also consider, at a minimum, the following criteria when designating Parent Aware Plus regions: (1) the distribution of rated programs by eligible program type within a region; (2) the amount of funding available for scholarships in the region; and (3) the distribution of the population of low-income preschool-aged children in the region. The commissioner must also designate Hennepin County, the city of St. Paul, Blue Earth County, and Nicollet County as Parent Aware Plus regions beginning in fiscal year 2012 and allow those regions to continue using the existing model of the Parent Aware quality rating system in fiscal year 2012.

Sec. 4. [119C.04] EARLY CHILDHOOD EDUCATION SCHOLARSHIPS.

Subdivision 1. **Early childhood education scholarship locations.** In fiscal year 2012 and later, the commissioner shall make scholarships available in the Parent Aware Plus regions. In fiscal year 2013 and later, the commissioner shall establish additional locations where early childhood education scholarships may be used to pay for services provided by rated programs. The additional early childhood education scholarship locations must be located in Parent Aware Plus regions. The commissioner may assign duties as described in subdivisions 5 and 7 to approved Parent Aware Plus regions, as appropriate.

Subd. 2. **Scholarship eligibility.** (a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2011;

(2) lives in one of the early childhood education scholarship locations according to subdivision 1; and

(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B.

Subd. 3. **Eligibility determination.** The commissioner of education shall develop a simple application process that families may use to apply for early childhood education scholarships based on the criteria in subdivision 2.

Subd. 4. **Scholarship value.** For fiscal year 2012 and later, the early childhood education scholarship is equal to \$4,000 each year for each eligible child according to subdivision 2.

Subd. 5. **Scholarship use.** (a) The early childhood education scholarship must be used during the 13 months after July 1, 2011, and each year thereafter by the parent or legal guardian on behalf of their child for services designed to promote school readiness at a rated program in a Parent Aware Plus region. A parent or legal guardian may use the early childhood education scholarship to pay fees or charges associated with their eligible child's education at a rated program, according to subdivision 6.

(b) To maintain an eligible child's early childhood education scholarship, a parent or legal guardian must begin to use the scholarship within six months following the receipt of the scholarship or October 1.

(c) For the purpose of dividing the early childhood education scholarship between two or more rated programs, a parent or legal guardian may reduce the early childhood education scholarship value paid to an individual rated program. The commissioner must determine a method to allow a parent or legal guardian to reduce or divide an early childhood education scholarship.

Subd. 6. **Quality standard; transition.** (a) A rated program is eligible to receive early childhood education scholarships if the program has received a three- or four-star rating under Parent Aware under section 119C.02 and is located in a Parent Aware Plus region. An eligible program must agree to accept early childhood education scholarships to pay for services.

(b) Notwithstanding paragraph (a), for the first two fiscal years after a Parent Aware region has become a Parent Aware Plus region, a rated program located in the Parent Aware Plus region is eligible to receive early childhood education scholarships to pay for its services if the program has received a one-star or better rating under the Parent Aware rating system. An eligible program must agree to accept early childhood education scholarships to pay for services. This paragraph does not apply to the Parent Aware Plus regions located in the city of St. Paul, Hennepin County, Nicollet County, and Blue Earth County.

Subd. 7. **Redeeming a scholarship.** (a) A rated program that has received an early childhood education scholarship on behalf of an eligible child to pay for services must remit the scholarship in a manner determined by the commissioner.

(b) The commissioner must pay rated programs the value of the early childhood education scholarship within 30 days of receiving the scholarship from a program.

(c) The commissioner must determine a method for paying rated programs if a parent or legal guardian has divided or reduced a scholarship under subdivision 5, paragraph (b).

Subd. 8. **Earned income calculation.** Scholarships paid to providers on behalf of eligible parents must not be counted as earned income for the purposes of medical assistance, MinnesotaCare, MFIP, diversionary work program, child care assistance, or Head Start programs. Scholarships paid to providers on behalf of eligible parents must not be considered child care funds for the purposes of the child care assistance program under chapter 119B.

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

Sec. 5. Minnesota Statutes 2010, section 124D.15, subdivision 3a, is amended to read:

Subd. 3a. **Application and reporting requirements.** (a) A school readiness program provider must submit a biennial plan for approval by the commissioner before receiving aid under section 124D.16. The plan must describe how the program meets the program requirements under subdivision 3. A school district by April 1 must submit the plan for approval by the commissioner in the form and manner prescribed by the commissioner. ~~One half the districts must first submit the plan by April 1, 2006, and one half the districts must first submit the plan by April 1, 2007, as determined by the commissioner.~~

(b) Programs receiving school readiness funds annually must submit a report to the department in the form and manner specified by the commissioner. The report must show how participants in the districts' school readiness programs performed on outcome measures as defined by the commissioner and display demographic information on program participants, including family income status, primary language spoken in the home, and presence of early childhood special education needs.

(c) The commissioner must compile the information submitted by school districts under paragraph (b) and annually report that information to the education committees of the legislature by February 15.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2012 and later.

Sec. 6. **PROGRAMMATIC STREAMLINING.**

By January 15, 2013, the commissioner of education, in consultation with the commissioner of human services, shall report to the legislative committees having jurisdiction over early childhood education and child care on a framework for incorporating the existing state programs that provide access to early learning and care programming into a single scholarship program that funds access to high-quality early learning and care programs for low-income children in Minnesota. The report must also identify barriers and impediments to applying federal child care assistance and Head Start program funds in the form of a scholarship under Minnesota Statutes, section 119C.04. As part of the framework, the commissioner must also take into consideration efforts for simplifying the application and management procedures for participating families and providers.

Sec. 7. **APPROPRIATIONS.**

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

Subd. 2. School readiness. For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

<u>\$10,095,000</u>	<u>.....</u>	<u>2012</u>
<u>\$10,095,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$3,028,000 for 2011 and \$7,067,000 for 2012.

The 2013 appropriation includes \$3,028,000 for 2012 and \$7,067,000 for 2013.

Subd. 3. Early childhood family education aid. For early childhood family education aid under Minnesota Statutes, section 124D.135:

<u>\$22,466,000</u>	<u>.....</u>	<u>2012</u>
<u>\$23,015,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$6,542,000 for 2011 and \$15,924,000 for 2012.

The 2013 appropriation includes \$6,824,000 for 2012 and \$16,191,000 for 2013.

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$3,568,000</u>	<u>.....</u>	<u>2012</u>
<u>\$3,547,000</u>	<u>.....</u>	<u>2013</u>

The 2012 appropriation includes \$1,066,000 for 2011 and \$2,502,000 for 2012.

The 2013 appropriation includes \$1,072,000 for 2012 and \$2,475,000 for 2013.

Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

<u>\$20,100,000</u>	<u>.....</u>	<u>2012</u>
<u>\$20,100,000</u>	<u>.....</u>	<u>2013</u>

Subd. 6. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

<u>\$49,000</u>	<u>.....</u>	<u>2012</u>
<u>\$49,000</u>	<u>.....</u>	<u>2013</u>

Subd. 7. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

<u>\$281,000</u>	<u>.....</u>	<u>2012</u>
<u>\$281,000</u>	<u>.....</u>	<u>2013</u>

Subd. 8. **Quality rating and improvement system.** For improving effectiveness of teacher-child interaction in the classroom under Minnesota Statutes, section 124D.142, paragraph (c):

<u>\$1,750,000</u>	<u>.....</u>	<u>2012</u>
<u>\$0</u>	<u>.....</u>	<u>2013</u>

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

The base funding for this program is \$2,000,000 in fiscal year 2014 and \$0 in fiscal year 2015.

Subd. 9. **Early childhood education scholarships.** For grants to early childhood education scholarships under Minnesota Statutes, section 119C.04:

<u>\$2,000,000</u>	<u>.....</u>	<u>2012</u>
<u>\$4,000,000</u>	<u>.....</u>	<u>2013</u>

In fiscal year 2012, the appropriation is for grants to projects located in the Parent Aware Plus regions. In fiscal year 2013 and later, the appropriation is for scholarship grants to fund eligible early childhood care and education programs located in Parent Aware Plus regions that have received early childhood education scholarships from eligible parents or legal guardians under Minnesota Statutes, section 119C.04, subdivision 2. The appropriation is available until expended. The base funding for this program is \$5,000,000 in fiscal year 2014 and later.

Each year, if this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Education shall make scholarships available on a first-come, first-served basis.

ARTICLE 8
PREVENTION

Section 1. Minnesota Statutes 2010, section 124D.19, subdivision 3, is amended to read:

Subd. 3. **Community education director.** (a) Except as provided under paragraphs (b) and (c), each board shall employ a licensed community education director. The board shall submit the name of the person who is serving as director of community education under this section on the district's annual community education report to the commissioner.

(b) A board may apply to the Minnesota Board of School Administrators under Minnesota Rules, part 3512.3500, subpart 9, for authority to use an individual who is not licensed as a community education director.

(c) A board of a district with a total population of ~~2,000~~ 10,000 or less may identify an employee who holds a valid Minnesota principal or superintendent license under Minnesota Rules, chapter 3512, to serve as director of community education. To be eligible for an exception under this paragraph, the board shall certify in writing to the commissioner that the district has not placed a licensed director of community education on unrequested leave.

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

Sec. 2. **APPROPRIATION.**

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

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

<u>\$478,000</u>	.....	<u>2012</u>
<u>\$694,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$134,000 for 2011 and \$344,000 for 2012.

The 2013 appropriation includes \$147,000 for 2012 and \$547,000 for 2013.

Subd. 3. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

<u>\$710,000</u>	.....	<u>2012</u>
<u>\$710,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$213,000 for 2011 and \$497,000 for 2012.

The 2013 appropriation includes \$213,000 for 2012 and \$497,000 for 2013.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

<u>\$70,000</u>	.....	<u>2012</u>
<u>\$70,000</u>	.....	<u>2013</u>

Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes, section 124D.22:

<u>\$1,000</u>	.....	<u>2012</u>
<u>\$1,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$0 for 2011 and \$1,000 for 2012.

The 2013 appropriation includes \$0 for 2012 and \$1,000 for 2013.

ARTICLE 9
SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2010, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** ~~(a) The state total adult basic education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year 2008~~ 2012 and later equals \$40,650,000 \$44,550,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. ~~The state total adult basic education aid for later fiscal years equals:~~

~~(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times~~

~~(2) the lesser of:~~

~~(i) 1.03; or~~

~~(ii) the average growth in state total contact hours over the prior ten program years.~~

Beginning in fiscal year 2002, two percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

EFFECTIVE DATE. This section is effective for revenue for fiscal years 2012 and later.

Sec. 2. **APPROPRIATIONS.**

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

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

<u>\$44,452,000</u>	.....	<u>2012</u>
<u>\$44,507,000</u>	.....	<u>2013</u>

The 2012 appropriation includes \$13,365,000 for 2011 and \$31,087,000 for 2012.

The 2013 appropriation includes \$13,322,000 for 2012 and \$31,185,000 for 2013.

Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under Minnesota Statutes, section 124D.55:

<u>\$125,000</u>	.....	<u>2012</u>
<u>\$125,000</u>	.....	<u>2013</u>

ARTICLE 10
STATE AGENCIES

Section 1. Minnesota Statutes 2010, section 120B.35, subdivision 1, is amended to read:

Subdivision 1. **School and student indicators of growth and achievement.** The commissioner must develop and implement a system for measuring and reporting academic achievement and individual student growth, consistent with the statewide educational accountability and reporting system. The system components must measure and separately report the adequate yearly progress of schools and the growth of individual students: students' current achievement in schools under subdivision 2; and individual students' educational growth over time under subdivision 3. The commissioner annually must report a student's growth and progress toward grade-level proficiency under section 120B.299 as it relates to applicable state academic standards and the statewide assessments aligned with those standards. The system also must include statewide measures of student academic growth that identify schools with high levels of growth, and also schools with low levels of growth that need improvement. When determining a school's effect, the data must include both statewide measures of student achievement and, to the extent annual tests are administered, indicators of achievement growth that take into account a student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide or districtwide assessments. Indicators that take into account a student's prior achievement must not be used to disregard a school's low achievement or to exclude a school from a program to improve low achievement levels.

EFFECTIVE DATE. This section is effective July 1, 2012, and applies to growth data beginning in the 2012-2013 school year.

Sec. 2. Minnesota Statutes 2010, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance report cards.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; the number of teachers in each performance effectiveness rating category under section 122A.411, subdivision 3, by school site; student enrollment demographics; district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

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

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 3. Minnesota Statutes 2010, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and after completion thereof, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must issue a three-year employment contract and adopt a plan for written evaluation of teachers during the probationary period that complies with section 122A.411. During the first 90 school days only of a probationary teacher's first year of employment, the board may terminate the teacher at will. Evaluation must occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. ~~Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However,~~ The board must give any such probationary teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

(e) A district must decide whether to issue a contract to a probationary classroom teacher at the end of the teacher's probationary period based on:

(1) the teacher's professional growth plan based on standards of effective professional practice, student learning goals, and teacher evaluations under this subdivision that comply with section 122A.411;

(2) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(3) other locally selected criteria aligned to instructional practices in teaching and learning.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 4. Minnesota Statutes 2010, section 122A.40, subdivision 6, is amended to read:

Subd. 6. **Professional development and mentoring for probationary teachers.** (a) A school board and the exclusive representative of the teachers in the district must collaborate in establishing a professional development model for probationary teachers, consistent with subdivision 8, that uses a district's professional development resources and plans, including those under sections 122A.414, if applicable, 122A.60, and 122A.61, to improve teaching and learning.

(b) A school board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement. The process may include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 5. Minnesota Statutes 2010, section 122A.40, subdivision 7, is amended to read:

Subd. 7. **Termination of contract after probationary period.** (a) A teacher who has completed a probationary period in any district, and who has not been discharged or advised of a refusal to renew the teacher's contract under subdivision 5, shall elect to have a ~~continuing~~ renewable five-year contract with ~~such the~~ district where contract terms and conditions, including salary and salary increases, are established based either on the length of the school calendar or an extended school calendar under section 120A.415. ~~Thereafter,~~ The teacher's contract must remain in full force and effect, except as modified by mutual consent of the board and the teacher, until terminated by a majority roll call vote of the full membership of the board prior to April 1 upon one of the grounds specified in subdivision 9 or July 1 upon one of the grounds specified in subdivision 10 or 11, or until the teacher is discharged pursuant to subdivision 13, or by the written resignation of the teacher submitted prior to April 1. If an agreement as to the terms and conditions of employment for the succeeding school year has not been adopted pursuant to the provisions of sections 179A.01 to 179A.25 prior to March 1, the teacher's right of resignation is extended to the 30th calendar day following the adoption of ~~said the~~ contract in compliance with under section 179A.20, subdivision 5. ~~Such~~ Written resignation by the teacher is effective ~~as of on~~ on June 30 if submitted ~~prior to~~ before that date and the ~~teachers'~~ teacher's right of resignation for the next school year ~~then beginning~~ shall cease on July 15.

(b) Before a teacher's contract is terminated by the board, the board must notify the teacher in writing and state its ground for the proposed termination in reasonable detail together with a statement that the teacher may make a written request for a hearing before the board within 14 days after receipt of such notification. If the grounds are those specified in subdivision 9 or 13, the notice must also state a teacher may request arbitration under subdivision 15. Within 14 days after receipt of this notification the teacher may make a written request for a hearing before the board or an arbitrator and it shall be granted upon reasonable notice to the teacher of the date set for hearing, before final action is taken. If no hearing is requested within such period, it shall be deemed acquiescence by the teacher to the board's action. ~~Such~~ The teacher's termination ~~shall take effect at the close of the school year in which the contract is terminated in the manner aforesaid~~ must comply with subdivision 9 or 13. ~~Such~~ A contract may be terminated at any time by mutual consent of the board and the teacher and this section does not affect the powers of a board to suspend, discharge, or demote a teacher under and pursuant to other provisions of law.

~~(b)~~ (c) A teacher electing to have a continuing contract based on the extended school calendar under section 120A.415 must participate in staff development training under subdivision 7a and shall receive an increased base salary.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 6. Minnesota Statutes 2010, section 122A.40, is amended by adding a subdivision to read:

Subd. 7b. Teacher employment. (a) A school district must use a teacher appraisal framework to make informed decisions about teacher development and performance. Teachers must participate in ongoing professional development to improve teaching and learning throughout a term of employment.

(b) After completing the initial three-year probationary period without discharge, a teacher who is reemployed by a school board continues in service and holds that position during good behavior and efficient and competent service for a renewable five-year term. The terms and conditions of a teacher's employment contract, including salary and salary increases, must be based either on the length of the school year or an extended school calendar under section 120A.415.

(c) At the end of every five-year term, the school board either must continue or terminate a teacher's employment based on:

(1) a portfolio of the teacher's five-year professional growth plan based on standards of professional practice, student learning, and successful teacher evaluations, consistent with section 122A.411, that are conducted at least twice per year by a trained school administrator;

(2) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(3) other locally selected criteria aligned to instructional practices in teaching and learning.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 7. Minnesota Statutes 2010, section 122A.40, subdivision 8, is amended to read:

Subd. 8. Professional development and peer coaching for continuing contract teachers. (a) A school board and the exclusive representative of the teachers in the district must collaborate in establishing a professional development model for continuing contract teachers, consistent with subdivision 6, that uses a district's professional development resources and plans, including those under sections 122A.414, if applicable, 122A.60, and 122A.61, to improve teaching and learning.

(b) A school board and an exclusive representative of the teachers in the district shall develop a peer review process for continuing contract teachers through joint agreement. The process may include having trained observers serve as peer coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 8. Minnesota Statutes 2010, section 122A.40, subdivision 9, is amended to read:

Subd. 9. Grounds for termination. (a) A continuing contract may be terminated, effective at the close of the school year, upon any of the following grounds:

(a) (1) inefficiency;

(b) (2) neglect of duty, or persistent violation of school laws, rules, regulations, or directives;

(c) (3) conduct unbecoming a teacher which materially impairs the teacher's educational effectiveness;

(d) (4) other good and sufficient grounds rendering the teacher unfit to perform the teacher's duties—; or

(5) the teacher is ineffective under section 122A.411 and not recommended by the district for continued employment under this section.

~~(b) A contract must not be terminated upon one of the grounds specified in clause under paragraph (a), (b), (c), or (d), clause (5), unless the teacher fails to correct the deficiency after being given written notice of the specific items of complaint and reasonable time within which 180 days after receiving the notice to remedy them.~~

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 9. Minnesota Statutes 2010, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan, the provisions of subdivision 11 shall apply. ~~The negotiated plan must not include provisions which would result in the exercise of seniority by a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (c), or the reinstatement of a teacher holding a provisional license, other than a vocational education license, contrary to the provisions of subdivision 11, clause (e).~~ The provisions of section 179A.16 do not apply for the purposes of this subdivision.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 10. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

Subd. 11. **Unrequested leave of absence.** (a) The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the superintendent may exempt from the effects of paragraphs (b) to (f) those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction. The board is governed by ~~the following provisions: paragraphs (b) to (k).~~

~~(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;~~

~~(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the following order:~~

~~(1) teachers with a "needs improvement" or "ineffective" rating under section 122A.411 in the inverse order in which they were employed by the school district;~~

~~(2) teachers with an "average" rating under section 122A.411 with four or more years of teaching experience in the inverse order in which they were employed by the school district;~~

~~(3) teachers with an "effective" rating under section 122A.411 with fewer than four years of teaching experience in the inverse order in which they were employed by the school district;~~

(4) teachers with a "highly effective" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(5) teachers with a "distinguished" rating under section 122A.411 in the inverse order in which they were employed by the school district; and

(6) teachers with an "exemplary" rating under section 122A.411 in the inverse order in which they were employed by the school district.

(c) In the case of equal seniority within a clause of paragraph (b), the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable; _

~~(c) Notwithstanding the provisions of clause (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses;~~

~~(d) Notwithstanding clauses (a), paragraphs (b) and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction restrictions imposed by the provisions of clause paragraph (b) or (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher; with a lower designated status or less seniority.~~

~~(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable; _~~

~~(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board; _~~

~~(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave; _~~

~~(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service; _~~

~~(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years until that teacher's contract expires under subdivision 7b, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement; _~~

(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence.

(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 11. Minnesota Statutes 2010, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment ~~during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit.~~ The school site management team ~~or the school board if there is no school site management team,~~ shall issue a three-year employment contract and adopt a plan for a written evaluation of teachers during the probationary period ~~according to subdivision 3 that is consistent with section 122A.411.~~ During the first 90 days only of a probationary teacher's first year of employment, the board may terminate the teacher at will. Evaluation ~~by the peer review committee charged with evaluating of~~ probationary teachers ~~under subdivision 3~~ shall occur at least three times each year for a teacher performing services on 120 or more school days, at least two times each year for a teacher performing services on 60 to 119 school days, and at least one time each year for a teacher performing services on fewer than 60 school days. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher must complete at least 60 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

(d) A district must decide whether to issue a contract to a probationary classroom teacher at the end of the teacher's probationary period based on:

(1) a portfolio of the teacher's professional growth plan based on standards of effective professional practice, student learning goals, and successful teacher evaluations, consistent with section 122A.411, that are conducted at least twice per year by a trained school administrator;

(2) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(3) other locally selected criteria aligned to instructional practices in teaching and learning.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 12. Minnesota Statutes 2010, section 122A.41, subdivision 3, is amended to read:

Subd. 3. **Professional development and mentoring for probationary teachers.** (a) A school board and the exclusive representative of the teachers in the district must collaborate in establishing a professional development model for probationary teachers, consistent with subdivision 5, that uses a district's professional development resources and plans, including those under sections 122A.414, if applicable, 122A.60, and 122A.61, to improve teaching and learning.

(b) A board and an exclusive representative of the teachers in the district must develop a probationary teacher peer review process through joint agreement. The process may include having trained observers serve as mentors or coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 13. Minnesota Statutes 2010, section 122A.41, subdivision 4, is amended to read:

Subd. 4. ~~Period of service after probationary period; discharge or demotion~~ **Teacher employment.** (a) A school district must use a teacher appraisal framework to make informed decisions about teacher development and performance. Teachers must participate in ongoing professional development to improve teaching and learning throughout a term of employment.

(b) ~~After the completion of such~~ completing the initial three-year probationary period, without discharge, such teachers as are thereupon a teacher who is reemployed shall continue in service and hold ~~their respective~~ that position during good behavior and efficient and competent service ~~for a renewable five-year term~~ and must not be discharged or demoted except for cause after a hearing. The terms and conditions of a teacher's employment contract, including salary and salary increases, must be based either on the length of the school year or an extended school calendar under section 120A.415.

~~(b)~~ (c) A probationary teacher is deemed to have been reemployed for the ensuing school year, unless the school board in charge of such school gave such teacher notice in writing before July 1 of the termination of such employment.

~~(c)~~ (d) A teacher electing to have an employment contract based on the extended school calendar under section 120A.415 must participate in staff development training under subdivision 4a and shall receive an increased base salary.

(e) At the end of every five-year term, the school board must either continue or terminate a teacher's employment based on:

(1) a portfolio of the teacher's five-year professional growth plan based on standards of professional practice, student learning, and successful teacher evaluations, consistent with section 122A.411, that are conducted at least twice per year by a trained school administrator;

(2) the teacher's appraisal results and performance effectiveness rating under section 122A.411; and

(3) other locally selected criteria aligned to instructional practices in teaching and learning.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 14. Minnesota Statutes 2010, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Professional development and peer coaching for continuing contract teachers.** (a) A school board and the exclusive representative of the teachers in the district must collaborate in establishing a professional development model for probationary teachers, consistent with subdivision 3, that uses a district's professional development resources and plans, including those under sections 122A.414, if applicable, 122A.60, and 122A.61, to improve teaching and learning.

(b) A school board and an exclusive representative of the teachers in the district must develop a peer review process for nonprobationary teachers through joint agreement. The process may include having trained observers serve as peer coaches or having teachers participate in professional learning communities.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 15. Minnesota Statutes 2010, section 122A.41, subdivision 6, is amended to read:

Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in paragraph (b), causes for the discharge or demotion of a teacher either during or after the probationary period must be:

- (1) immoral character, conduct unbecoming a teacher, or insubordination;
- (2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) inefficiency in teaching or in the management of a school;
- (4) affliction with active tuberculosis or other communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; ~~or~~
- (5) discontinuance of position or lack of pupils; or
- (6) the teacher is ineffective under section 122A.411 and not recommended by the district for employment under this section.

For purposes of this paragraph, the provision in clause (6) does not interfere with the effect of clause (3) and conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13. A teacher must not be discharged under clause (6) unless the teacher fails to correct the deficiency after being given written notice of the specific items of complaint and 180 days within which to remedy them.

(b) A probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 16. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** ~~(a)~~ A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the following order:

(1) teachers with a "needs improvement" or "ineffective" rating under section 122A.411 in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise;

(2) teachers with an "average" rating under section 122A.411 with four or more years of teaching experience in the inverse order in which they were employed by the school district;

(3) teachers with an "effective" rating under section 122A.411 with fewer than four years of teaching experience in the inverse order in which they were employed by the school district;

(4) teachers with a "highly effective" rating under section 122A.411 in the inverse order in which they were employed by the school district;

(5) teachers with a "distinguished" rating under section 122A.411 in the inverse order in which they were employed by the school district; and

(6) teachers with an "exemplary" rating under section 122A.411 in the inverse order in which they were employed by the school district.

The superintendent may exempt from the effects of this subdivision those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction.

~~(b) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.~~

~~(c) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.~~

EFFECTIVE DATE. This section is effective for the 2014-2015 school year and later.

Sec. 17. **[122A.411] TEACHER EVALUATIONS.**

Subdivision 1. **Evaluation structure.** A teacher evaluation structure is established to provide information about teacher effectiveness for teachers under section 122A.06, subdivision 2, school districts, and charter schools to use in developing and improving teacher performance and student learning. The three-part structure contains:

(1) a teacher appraisal framework that identifies performance measures for determining teacher effectiveness;

(2) a mechanism for translating the performance data into a five-part teacher effectiveness rating scale; and

(3) a four-tier status designation that identifies teachers as standard, advanced, distinguished, or exemplary based on a teacher's effectiveness rating over time.

Subd. 2. **Teacher appraisal framework.** (a) Each school district and charter school must create and implement a teacher appraisal framework. The framework must translate performance measures and scores under this subdivision into five performance effectiveness rating scores where "5" is the highest rating and "1" is the lowest

rating. The department, in collaboration with the Board of Teaching, must make available to districts and charter schools appraisal frameworks and other materials from evidence-based sources to assist districts and charter schools in implementing an appraisal framework, consistent with this section.

(b) If statewide assessment results are available under section 120B.35, these results are the basis for 50 percent of a teacher's total appraisal.

(c) If statewide assessment results are unavailable, 40 percent of a teacher's total appraisal must consist of results from districtwide assessments of state and local standards and another ten percent of the teacher's total appraisal must consist of results from teacher-developed assessments.

(d) If no districtwide assessment results are available, 50 percent of a teacher's total appraisal must consist of teacher-developed and administrator-approved assessments of state and local standards. A school administrator shall meet with teachers at least annually under this paragraph to review, modify if needed, and approve local course and grade-level expectations for student achievement and growth.

(e) A charter school board of directors or a school board, in consultation with its teachers, must identify the performance measures used as a basis for the other 50 percent of a teacher's total appraisal under this subdivision. The appraisal must include data from parent surveys and at least two annual evaluations performed by a trained school administrator. Other performance measures may include student surveys, peer observations and review, teacher performance portfolios, video classroom observations with teacher reflection after viewing videos, measures that are part of an approved educational improvement plan under section 122A.413, and other highly reliable research-based measures.

Subd. 3. Teacher performance effectiveness ratings. (a) Beginning in the 2012-2013 school year and consistent with subdivision 2, a school district or charter school annually must use the following scale to determine a teacher performance effectiveness rating and corresponding status designation under subdivision 4 for each teacher who teaches a subject for which statewide assessment results are available under section 120B.35:

(1) a teacher is "highly effective" if the teacher's appraisal shows that the teacher's students, on average, achieved 1-1/2 or more years of growth on statewide assessments and the teacher received a "5" performance rating under the district or charter school appraisal framework;

(2) a teacher is "effective" if the teacher's appraisal shows that the teacher's students, on average, achieved at least one year of growth on statewide assessments and the teacher received a "4" performance rating under the district or charter school appraisal framework;

(3) a teacher is "average" if the teacher's appraisal shows that the teacher's students, on average, achieved at least 0.9 years of growth on statewide student assessments and the teacher received a "3" performance rating under the district or charter school appraisal framework;

(4) a teacher "needs improvement" if the teacher's appraisal shows that the teacher's students, on average, achieved between 0.5 and 0.9 years of growth on statewide assessments or the teacher received a "2" or lower performance rating under the district or charter school appraisal framework; and

(5) a teacher is "ineffective" if the teacher's appraisal shows that the teacher's students, on average, achieved less than one-half year of growth on statewide assessments and the teacher received a "1" performance rating under the district or charter school appraisal framework.

A teacher who does not meet both the growth and performance rating requirements in clauses (1) to (4) receives the next lower effectiveness rating that immediately follows the clause where the teacher met either the growth or the performance rating requirement.

(b) Beginning in the 2012-2013 school year and consistent with subdivision 2, a school district or charter school annually must use the following teacher performance effectiveness rating scale and corresponding status designation under subdivision 4 for each teacher who teaches a subject for which no statewide assessment data exist:

(1) a teacher is "highly effective" if the teacher receives a "5" performance rating under the district or charter school appraisal framework;

(2) a teacher is "effective" if the teacher receives a "4" performance rating under the district or charter school appraisal framework;

(3) a teacher is "average" if the teacher receives a "3" performance rating under the district or charter school appraisal framework;

(4) a teacher "needs improvement" if the teacher receives a "2" performance rating under the district or charter school appraisal framework; and

(5) a teacher is "ineffective" if the teacher receives a "1" performance rating under the district or charter school appraisal framework.

Subd. 4. Teacher status designations. (a) Beginning no later than the 2012-2013 school year, a school district or charter school shall establish a four-tier status designation for identifying teacher effectiveness, consistent with this section, using measures of teacher performance and student learning as they relate to meeting state and local education standards.

(b) To receive a "standard" designation, a probationary teacher during the three-year probationary period must receive at least one rating of "average," "effective," or "highly effective" under the district or charter school appraisal framework and meet applicable professional development requirements.

(c) A licensed teacher who has a "standard" designation must receive a rating of "average," "effective," or "highly effective" in four years out of each five-year employment period and meet applicable professional development requirements to receive an "advanced" status designation.

(d) A teacher who receives a "highly effective" rating in three years out of a five-year employment period and meets applicable professional development requirements receives a "distinguished" status designation.

(e) A teacher who receives a "highly effective" rating in seven years during two consecutive five-year employment periods and meets applicable professional development requirements receives an "exemplary" status designation.

(f) A teacher who receives a "distinguished" or "exemplary" status designation keeps that designation for the remainder of the five-year employment period in which the teacher received the designation.

(g) A teacher who does not meet the requirements of a particular status designation under paragraph (c), (d), or (e) receives the next lower status designation under this subdivision. A teacher who does not meet the requirements of a standard designation under paragraph (b) has no status designation.

Subd. 5. **Data gathering and analysis.** Beginning in the 2012-2013 school year, the department, in consultation with the Board of Teaching, shall assist a school district or charter school in collecting and aggregating student data needed to implement subdivisions 2, 3, and 4. If the school district or charter school and the department agree that an ongoing need exists for department assistance, the district or charter school and the department shall enter into a data-sharing agreement. Any data on individual students or teachers received, collected, or created that are used to generate summary data under this section are nonpublic data under chapter 13.

Subd. 6. **Reports.** (a) Beginning in the 2012-2013 school year, each school district and charter school annually shall report to the department by August 31 the following information about the school year just completed:

(1) each teacher's performance effectiveness rating determined under subdivision 2, paragraph (b), (c), or (d);

(2) each teacher's performance effectiveness rating determined under subdivision 2, paragraph (e);

(3) each teacher's status designation under subdivision 4;

(4) each teacher's professional preparation program;

(5) its appraisal framework; and

(6) its graduation rate.

(b) Beginning in 2014, the department annually by February 15 shall submit a report to the committees of the legislature with primary jurisdiction over kindergarten through grade 12 education policy and finance that analyzes and evaluates summary data generated under paragraph (a) to determine the effectiveness of teacher appraisal systems in improving teaching and learning.

(c) Beginning in 2014, the department annually by June 30 shall submit summary data on teacher effectiveness under paragraph (a) to the Board of Teaching and the Minnesota teacher preparation program or institution that prepared the teachers covered in that year's district and charter school reports to the department.

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

Sec. 18. Minnesota Statutes 2010, section 122A.416, is amended to read:

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ~~PERPICH CENTER FOR ARTS EDUCATION AND~~ MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.413, 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives ~~and the Perpich Center for Arts Education~~ are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative ~~or the Perpich Center for Arts Education~~ must meet all of the requirements of sections 122A.413, 122A.414, and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 19. **[122A.418] TEACHER EFFECTIVENESS-BASED BONUSES.**

(a) A teacher with a "distinguished" rating under section 122A.411 shall receive an annual bonus equal to ten percent of the teacher's base salary as long as the teacher maintains a "distinguished" rating.

(b) A teacher with an "exemplary" rating under section 122A.411 shall receive an annual bonus equal to 20 percent of the teacher's base salary as long as the teacher maintains an "exemplary" rating.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 20. Minnesota Statutes 2010, section 122A.60, is amended to read:

122A.60 STAFF DEVELOPMENT PROGRAM.

Subdivision 1. **Staff development committee.** A school board must use the revenue authorized in section 122A.61 for ~~in-service~~ education ~~for~~ programs under section 120B.22, subdivision 2, or for staff development and teacher training plans under this section. The board must establish an advisory staff development committee to develop the plan, assist site professional development teams in developing a site plan consistent with the goals of the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee and the site professional development team must be teachers representing various grade levels, subject areas, and special education. The advisory committee must also include nonteaching staff, parents, and administrators.

Subd. 1a. **Effective staff development activities.** (a) Staff development activities must be aligned with district and school site staff development plans, based on student achievement and growth data, and focused on student learning goals. Activities must:

(1) focus on the school classroom and ~~research-based~~ scientifically based research strategies that improve student learning;

(2) provide opportunities for teachers to practice and improve their instructional skills over time and receive instructional-based observations using objective standards-based assessments to assist in the professional growth process;

(3) provide regular opportunities for teachers to use student data as part of their daily work to increase student achievement;

(4) enhance teacher content knowledge and instructional skills;

(5) align with state and local academic standards;

(6) provide job-embedded or integrated professional development opportunities during the teacher contract day to build professional relationships, foster collaboration among principals and staff who provide instruction to identify instructional strategies to meet student learning goals, plan instruction, practice new teaching strategies, and review the results of implementing those strategies, and provide opportunities for teacher-to-teacher coaching and mentoring; and

(7) align with the plan of the district or site for those participating in an alternative ~~teacher~~ professional pay system under section 122A.414.

Staff development activities also may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

Subd. 2. **Contents of plan.** The plan must be based on student achievement and growth and include student learning goals, the staff development outcomes under subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education outcomes, consistent with relicensure requirements under section 122A.18, subdivision 4. The plan also must:

- (1) support stable and productive professional communities achieved through ongoing and schoolwide progress and growth in teaching practice;
- (2) emphasize coaching, professional learning communities, classroom action research, and other job-embedded models;
- (3) maintain a strong subject matter focus premised on students' learning goals;
- (4) ensure specialized preparation and learning about issues related to teaching students with special needs and limited English proficiency; and
- (5) reinforce national and state standards of effective teaching practice.

Subd. 3. **Staff development outcomes.** The advisory staff development committee must adopt a staff development plan for increasing teacher effectiveness and student learning and for improving student achievement. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

- (1) improve student achievement of state and local ~~education~~ academic standards in all areas of the curriculum by using best practices methods and benchmark assessments aligned with academic standards;
- (2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, and gifted children, within the regular classroom and other settings;
- (3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;
- (4) improve staff collaboration and develop mentoring and peer coaching programs for teachers ~~new to the school or district~~ in their first five years of teaching;
- (5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and
- (6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

Subd. 4. **Staff development report.** (a) By October ~~15~~ 1 of each year, the district and site staff development committees shall write and submit a report of staff development activities and expenditures for the previous year, in the form and manner determined by the commissioner. The report, signed by the district superintendent and staff development chair, must include assessment and evaluation data indicating progress toward district and site staff development goals based on teaching and learning outcomes, including the percentage of teachers and other staff involved in instruction who participate in effective staff development activities under subdivision 3.

(b) The report must break down expenditures for:

(1) curriculum development and curriculum training programs; and

(2) staff development training models, workshops, and conferences, and the cost of releasing teachers or providing substitute teachers for staff development purposes.

The report also must indicate whether the expenditures were incurred at the district level or the school site level, and whether the school site expenditures were made possible by grants to school sites that demonstrate exemplary use of allocated staff development revenue. These expenditures must be reported using the uniform financial and accounting and reporting standards.

(c) The commissioner shall report the staff development progress and expenditure data to the house of representatives and senate committees having jurisdiction over education by February 15 each year.

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 21. Minnesota Statutes 2010, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for ~~in-service education for~~ programs under section 120B.22, subdivision 2, ~~for~~ with the primary purpose of creating and implementing district and school site staff development plans, including. Funds also may be used to support plans for challenging instructional activities and experiences under section 122A.60, ~~and for curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, the cost of substitute teachers staff development purposes,~~ preservice and in-service education for special education professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs. ~~With the exception of amounts reserved for staff development from revenues allocated directly to school sites, the board must initially allocate 50 percent of the reserved revenue to each school site in the district on a per teacher basis, which must be retained by the school site until used. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue must be used to make grants to school sites for best practices methods. A grant may be used for any purpose authorized under section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team. The site professional development team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.~~

EFFECTIVE DATE. This section is effective for the 2013-2014 school year and later.

Sec. 22. **[122A.73] SCHOOL ADMINISTRATOR DEVELOPMENT.**

A school board and the school administrators in a district must collaboratively establish a professional development model for school administrators that uses the district's professional development resources and plans, including those under sections 122A.414, if applicable, 122A.60, and 122A.61. The model must be designed to improve teaching and learning by supporting administrators in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The model must, at a minimum:

(1) support and improve administrators' instructional leadership and organizational, management, and professional development; and strengthen their capacity in instruction and supervision and in teacher evaluation and development under section 122A.411;

(2) provide professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture;

(3) make appropriate recommendations for administrators to participate in development opportunities, including the Principals' Leadership Institute under section 122A.74 and other statewide development programs that support administrators' leadership behaviors and practices, rigorous curriculum, school performance, and high quality instruction; and

(4) use formative and summative assessments, on-the-job evaluations, surveys, and longitudinal data on student academic growth as evaluation components; and provide professional development opportunities targeted at identifying systemic strengths and weaknesses and administrators' strengths and weaknesses in exercising leadership in pursuit of school success.

The provisions of this section are intended to provide districts with sufficient flexibility to accommodate district needs and goals, consistent with section 122A.411.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 23. Minnesota Statutes 2010, section 123B.09, subdivision 8, is amended to read:

Subd. 8. **Duties.** The board must superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. The board may enter into an agreement with a postsecondary institution for secondary or postsecondary nonsectarian courses to be taught at a secondary school, nonsectarian postsecondary institution, or another location. Consistent with section 122A.40, subdivision 10, or 122A.41, subdivision 14, as applicable, the board must not enter into an agreement that limits a district superintendent's ability to assign and reassign a teacher or administrator to a school to best meet student and school needs as determined by the superintendent.

Sec. 24. Minnesota Statutes 2010, section 123B.143, subdivision 1, is amended to read:

Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary school must employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent must be vested in the board in all cases. An individual employed by a board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A board, at its discretion, may or may not renew an employment contract. A board must not, by action or inaction, extend the duration of an existing employment contract. Beginning 365 days prior to the expiration date of an existing employment contract, a board may negotiate and enter into a subsequent employment contract to take effect upon the expiration of the existing contract. A subsequent contract must be contingent upon the employee completing the terms of an existing contract. If a contract between a board and a superintendent is terminated prior to the date specified in the contract, the board may not enter into another superintendent contract with that same individual that has a term that extends beyond the date specified in the terminated contract. A board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall not rely upon an employment contract with a board to assert any other continuing contract rights in the position of superintendent under section 122A.40. Notwithstanding the provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more

districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall ~~perform the following:~~

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

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

(3) before the start of the school year, and at other times as needed, assign highly effective, distinguished, and exemplary teachers, as defined in section 122A.411, to schools to best meet student and school needs as determined by the superintendent;

(4) superintend school grading practices and examinations for promotions;

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

(5) (6) perform other duties prescribed by the board.

Sec. 25. **[124D.101] PERPICH CENTER FOR ARTS EDUCATION.**

Subdivision 1. Charter school established. The Perpich Center for Arts Education may organize as a charter school consistent with section 124D.10.

Subd. 2. Sponsor. (a) Consistent with section 124D.10, subdivision 3, in order to organize as a charter school, the Perpich Center for Arts Education must attempt to find at least one qualified charter school authorizer that will authorize and serve as a charter school authorizer for the Perpich Center for Arts Education charter school.

(b) If a qualified authorizer cannot be found, the Department of Education shall authorize the Perpich Center for Arts Education charter school. If a qualified authorizer is later found, the Department of Education may transfer authorization to the qualified authorizer under section 124D.10.

Subd. 3. State aid. The Perpich Center for Arts Education charter school is eligible for state charter school aid, including aid for start-up and operating costs, as provided in section 124D.11.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 26. **DISSOLUTION OF PERPICH CENTER FOR ARTS EDUCATION.**

(a) The Perpich Center for Arts Education is dissolved as a state agency.

(b) Official state records held at the Perpich Center for Arts Education shall be transferred to the Department of Education.

(c) Oversight of the facility occupied by the Perpich Center for Arts Education shall be transferred to the Department of Administration. If the Perpich Center for Arts Education organizes as a charter school under Minnesota Statutes, section 124D.10, the charter school shall have the right of first refusal to lease the building from the state.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 27. **APPRAISAL IMPLEMENTATION TIMELINE.**

Consistent with Minnesota Statutes, section 122A.411, districts and charter schools shall implement the teacher appraisal framework according to the following timeline:

(1) in the 2011-2012 school year, develop an appraisal framework and a system to collect data;

(2) in the 2012-2013 school year, implement the teacher appraisal framework and data collection system as a pilot program; and

(3) beginning in the 2013-2014 school year, fully implement the teacher appraisal framework and data collection system.

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

Sec. 28. **EFFECT OF TEACHER DIVERSITY ON STUDENT ACHIEVEMENT.**

(a) The commissioner of education shall report on the impact that a culturally, racially, and ethnically diverse teaching faculty has on the educational outcomes of minority students, including academic performance, graduation rates, and participation in postsecondary programs. The study must control for the level of teacher effectiveness.

(b) The commissioner of education also shall evaluate and report on school district practices for recruiting a culturally, racially, and ethnically diverse teaching faculty.

(c) The commissioner must submit the reports under paragraphs (a) and (b) to the education policy and finance committees of the legislature by February 1, 2015.

EFFECTIVE DATE. This section is effective July 1, 2013. The study in paragraph (a) may not begin until after the 2013-2014 school year.

Sec. 29. **ADVISORY TASK FORCE ON IMPLEMENTING TEACHER EVALUATION STRUCTURE.**

Consistent with Minnesota Statutes, section 122A.411, and related sections, the commissioner of education shall convene an 11-member advisory task force to make recommendations related to implementing the state's teacher evaluation structure. Task force members shall include: one representative each from the Minnesota Chamber of Commerce, the Minnesota Business Partnership, the Minnesota Assessment Group, the Minnesota Association of School Administrators, the Minnesota Elementary and Secondary School Principals Association, the Minnesota School Boards Association, and the Minnesota Association of Charter Schools appointed by the respective organization; two representatives from Education Minnesota, one of whom must be a currently licensed classroom teacher teaching in a first class city school district, appointed by Education Minnesota; and two parents of students currently enrolled in Minnesota public schools, one of whom must be a parent of color, appointed by the Minnesota Parent Teacher Organization. The commissioner or the commissioner's designee shall serve as a nonvoting member of the task force and shall provide technical assistance to the task force upon request. The task force must review the statutory sections that compose this act and recommend to the commissioner any changes needed to fully implement the teacher evaluation structure, including statutory changes to accomplish the recommendations. The commissioner must report the task force recommendations to the education policy and finance committees of the legislature by February 15, 2012. The advisory task force expires June 1, 2012.

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

Sec. 30. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

Subdivision 1. Department of Education. Unless otherwise indicated, the sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

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

<u>\$13,485,000</u>	.....	<u>2012</u>
<u>\$13,485,000</u>	.....	<u>2013</u>

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

(b) \$260,000 each year is for the Minnesota Children's Museum.

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

(d) \$618,000 each year is for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(e) \$167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(f) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

(g) \$38,000 each year is for an early hearing loss intervention coordinator under Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal funds to employ a hearing loss coordinator under Minnesota Statutes, section 125A.63, subdivision 5, then the appropriation under this paragraph is reallocated for purposes of employing a world languages coordinator.

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

Subd. 3. Board of Teaching. From the education licensure portfolio account in the special revenue fund to the Board of Teaching for licensure by portfolio:

<u>\$30,000</u>	.....	<u>2012</u>
<u>\$30,000</u>	.....	<u>2013</u>

Sec. 31. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

<u>\$11,603,000</u>	.....	<u>2012</u>
<u>\$11,603,000</u>	.....	<u>2013</u>

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

Sec. 32. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education for the fiscal years designated:

<u>\$7,087,000</u>	.....	<u>2012</u>
<u>\$2,721,000</u>	.....	<u>2013</u>

After the conclusion of the 2011-2012 school year, the fiscal year 2013 appropriation is available for immediate transfer to the Department of Administration or the Department of Management and Budget in order to administer severance payments and oversee the closing of the Perpich Center for Arts Education as a state agency. The fiscal year 2013 appropriation includes \$2,275,000 for severance payments, \$336,000 for facility maintenance, and \$110,000 for the sale of the property, which is available until expended.

Sec. 33. **REPEALER.**

Minnesota Statutes 2010, sections 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 8; 129C.105; 129C.15; 129C.20; 129C.25; and 129C.26, are repealed July 1, 2012.

ARTICLE 11
FORECAST ADJUSTMENT

A. GENERAL EDUCATION

Section 1. Laws 2009, chapter 96, article 1, section 24, subdivision 2, as amended by Laws 2010, First Special Session chapter 1, article 3, section 10, is amended to read:

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

\$4,291,422,000	.....	2010
\$ 4,776,884,000 <u>4,832,264,000</u>	.....	2011

The 2010 appropriation includes \$553,591,000 for 2009 and \$3,737,831,000 for 2010.

The 2011 appropriation includes \$1,363,306,000 for 2010 and ~~\$3,413,578,000~~ \$3,468,958,000 for 2011.

Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 3, is amended to read:

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

\$48,000	.....	2010
\$ 52,000 <u>29,000</u>	.....	2011

Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 2, is amended to read:

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

\$1,000,000	.....	2010
\$ 1,132,000 <u>1,127,000</u>	.....	2011

The 2010 appropriation includes \$140,000 for 2009 and \$860,000 for 2010.

The 2011 appropriation includes \$317,000 for 2010 and ~~\$815,000~~ \$810,000 for 2011.

Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 5, as amended by Laws 2010, First Special Session chapter 1, article 4, section 3, is amended to read:

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

\$684,000	.....	2010
\$ 576,000 <u>593,000</u>	.....	2011

The 2010 appropriation includes \$0 for 2009 and \$684,000 for 2010.

The 2011 appropriation includes \$252,000 for 2010 and ~~\$324,000~~ \$341,000 for 2011.

Sec. 5. Laws 2009, chapter 96, article 1, section 24, subdivision 6, as amended by Laws 2010, First Special Session chapter 1, article 4, section 4, is amended to read:

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

\$12,861,000	.....	2010
\$ 16,157,000 <u>16,213,000</u>	.....	2011

The 2010 appropriation includes \$1,067,000 for 2009 and \$11,794,000 for 2010.

The 2011 appropriation includes \$4,362,000 for 2010 and ~~\$11,795,000~~ \$11,851,000 for 2011.

Sec. 6. Laws 2009, chapter 96, article 1, section 24, subdivision 7, as amended by Laws 2010, First Special Session chapter 1, article 4, section 5, is amended to read:

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

\$17,297,000	.....	2010
\$ 19,729,000 <u>19,387,000</u>	.....	2011

The 2010 appropriation includes \$2,077,000 for 2009 and \$15,220,000 for 2010.

The 2011 appropriation includes \$5,629,000 for 2010 and ~~\$14,100,000~~ \$13,758,000 for 2011.

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2009, chapter 96, article 2, section 67, subdivision 2, as amended by Laws 2010, First Special Session chapter 1, article 4, section 6, is amended to read:

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

	\$34,833,000	.....	2010
\$ 44,938,000	<u>42,633,000</u>	.....	2011

The 2010 appropriation includes \$3,704,000 for 2009 and \$31,129,000 for 2010.

The 2011 appropriation includes \$11,513,000 for 2010 and ~~\$33,425,000~~ \$31,120,000 for 2011.

Sec. 8. Laws 2009, chapter 96, article 2, section 67, subdivision 3, as amended by Laws 2010, First Special Session chapter 1, article 4, section 7, is amended to read:

Subd. 3. **Charter school startup aid.** For charter school startup cost aid under Minnesota Statutes, section 124D.11:

	\$1,218,000	.....	2010
\$ 743,000	<u>654,000</u>	.....	2011

The 2010 appropriation includes \$202,000 for 2009 and \$1,016,000 for 2010.

The 2011 appropriation includes \$375,000 for 2010 and ~~\$368,000~~ \$279,000 for 2011.

Sec. 9. Laws 2009, chapter 96, article 2, section 67, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 8, is amended to read:

Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86, subdivision 5:

	\$50,812,000	.....	2010
\$ 61,782,000	<u>61,604,000</u>	.....	2011

The 2010 appropriation includes \$5,832,000 for 2009 and \$44,980,000 for 2010.

The 2011 appropriation includes \$16,636,000 for 2010 and ~~\$45,146,000~~ \$44,968,000 for 2011.

Sec. 10. Laws 2009, chapter 96, article 2, section 67, subdivision 6, is amended to read:

Subd. 6. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

	\$14,468,000	.....	2010
\$ 17,582,000	<u>13,393,000</u>	.....	2011

Sec. 11. Laws 2009, chapter 96, article 2, section 67, subdivision 9, as amended by Laws 2010, First Special Session chapter 1, article 4, section 10, is amended to read:

Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

	\$1,702,000	.....	2010
\$ 2,119,000	<u>1,958,000</u>	.....	2011

The 2010 appropriation includes \$191,000 for 2009 and \$1,511,000 for 2010.

The 2011 appropriation includes \$558,000 for 2010 and ~~\$1,561,000~~ \$1,400,000 for 2011.

C. SPECIAL EDUCATION

Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 3, is amended to read:

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

\$1,717,000	.....	2010
\$ 1,895,000 <u>1,554,000</u>	.....	2011

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

Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 12, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$224,000	.....	2010
\$ 282,000 <u>324,000</u>	.....	2011

The 2010 appropriation includes \$24,000 for 2009 and \$200,000 for 2010.

The 2011 appropriation includes \$73,000 for 2010 and ~~\$209,000~~ \$251,000 for 2011.

D. FACILITIES AND TECHNOLOGY

Sec. 14. Laws 2009, chapter 96, article 4, section 12, subdivision 6, as amended by Laws 2010, First Special Session chapter 1, article 4, section 17, is amended to read:

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

\$1,918,000	.....	2010
\$ 2,146,000 <u>2,191,000</u>	.....	2011

The 2010 appropriation includes \$260,000 for 2009 and \$1,658,000 for 2010.

The 2011 appropriation includes \$613,000 for 2010 and ~~\$1,533,000~~ \$1,578,000 for 2011.

E. NUTRITION

Sec. 15. Laws 2009, chapter 96, article 5, section 13, subdivision 2, is amended to read:

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

\$12,688,000	.....	2010
\$ 13,069,000 <u>12,378,000</u>	.....	2011

Sec. 16. Laws 2009, chapter 96, article 5, section 13, subdivision 3, is amended to read:

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

\$4,978,000	.....	2010
\$ 5,147,000 <u>4,646,000</u>	.....	2011

Sec. 17. Laws 2009, chapter 96, article 5, section 13, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 18, is amended to read:

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

\$1,104,000	.....	2010
\$ 1,126,000 <u>1,063,000</u>	.....	2011

F. EARLY CHILDHOOD EDUCATION, PREVENTION,
AND SELF-SUFFICIENCY AND LIFELONG LEARNING

Sec. 18. Laws 2009, chapter 96, article 6, section 11, subdivision 3, as amended by Laws 2010, First Special Session chapter 1, article 4, section 23, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

\$19,005,000	.....	2010
\$ 21,460,000 <u>21,177,000</u>	.....	2011

The 2010 appropriation includes \$3,020,000 for 2009 and \$15,985,000 for 2010.

The 2011 appropriation includes \$5,911,000 for 2010 and ~~\$15,549,000~~ \$15,266,000 for 2011.

Sec. 19. Laws 2009, chapter 96, article 6, section 11, subdivision 4, as amended by Laws 2010, First Special Session chapter 1, article 4, section 24, is amended to read:

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$2,922,000	.....	2010
\$ 3,425,000 <u>3,434,000</u>	.....	2011

The 2010 appropriation includes \$367,000 for 2009 and \$2,555,000 for 2010.

The 2011 appropriation includes \$945,000 for 2010 and ~~\$2,480,000~~ \$2,489,000 for 2011.

Sec. 20. Laws 2009, chapter 96, article 6, section 11, subdivision 8, as amended by Laws 2010, First Special Session chapter 1, article 4, section 25, is amended to read:

Subd. 8. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

	\$476,000	.....	2010
	\$ 473,000 <u>463,000</u>	.....	2011

The 2010 appropriation includes \$73,000 for 2009 and \$403,000 for 2010.

The 2011 appropriation included \$148,000 for 2010 and ~~\$325,000~~ \$315,000 for 2011.

Sec. 21. Laws 2009, chapter 96, article 6, section 11, subdivision 12, as amended by Laws 2010, First Special Session chapter 1, article 4, section 27, is amended to read:

Subd. 12. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

	\$35,671,000	.....	2010
	\$ 42,732,000 <u>42,829,000</u>	.....	2011

The 2010 appropriation includes \$4,187,000 for 2009 and \$31,484,000 for 2010.

The 2011 appropriation includes \$11,644,000 for 2010 and ~~\$31,088,000~~ \$31,185,000 for 2011."

Delete the title and insert:

"A bill for an act relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, academic excellence, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring reports; requiring studies; appropriating money; amending Minnesota Statutes 2010, sections 13D.02, by adding a subdivision; 16A.152, subdivision 2; 93.22, subdivision 1; 93.2236; 120A.41; 120B.023, subdivision 2; 120B.07; 120B.30, subdivision 1, by adding a subdivision; 120B.35, subdivision 1; 120B.36, subdivision 1; 122A.40, subdivisions 5, 6, 7, 8, 9, 10, 11, by adding subdivisions; 122A.41, subdivisions 2, 3, 4, 5, 6, 14, by adding a subdivision; 122A.414, subdivisions 1a, 2, 2a, 2b, 4; 122A.416; 122A.60; 122A.61, subdivision 1; 123A.55; 123B.02, subdivision 15; 123B.09, subdivision 8; 123B.143, subdivision 1; 123B.54; 123B.59, subdivision 5; 123B.75, subdivision 5; 124D.15, subdivision 3a; 124D.19, subdivision 3; 124D.531, subdivision 1; 124D.86, subdivision 3; 125A.07; 125A.21, subdivisions 2, 3, 5, 7; 125A.515, by adding a subdivision; 125A.69, subdivision 1; 125A.76, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivisions 1, 2, 2a, 3, 7, 8, 8a, 13a, 14, by adding a subdivision; 126C.126; 126C.20; 126C.40, subdivision 1; 126C.44; 127A.33; 127A.441; 127A.45, subdivision 2; 179A.16, subdivision 1; 179A.18, subdivisions 1, 3; 298.28, subdivisions 2, 4; Laws 2009, chapter 79, article 5, section 60, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, as amended, 3, 4, as amended, 5, as amended, 6, as amended, 7, as amended; article 2, section 67, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, 9, as amended; article 3, section 21, subdivisions 3, 4, as amended; article 4, section 12, subdivision 6, as amended; article 5, section 13, subdivisions 2, 3, 4, as amended; article 6, section 11, subdivisions 3, as amended, 4, as amended, 8, as amended, 12, as amended; proposing coding for new law in Minnesota Statutes, chapters 120B; 122A; 124D; 179A; proposing coding for new law as Minnesota Statutes, chapter 119C; repealing Minnesota Statutes 2010, sections 122A.61; 123B.05; 123B.59, subdivisions 6, 7; 124D.86, subdivisions 1, 1a, 2, 4, 5, 6; 126C.10, subdivision 5; 127A.46; 129C.10, subdivisions 1, 2, 3, 3a, 4, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; 179A.18, subdivision 2; Laws 2009, chapter 88, article 12, section 23; Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; 3535.0180."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

The report was adopted.

Westrom from the Committee on Civil Law to which was referred:

H. F. No. 936, A bill for an act relating to health; prohibiting abortions at or after 20 weeks gestational age unless certain exceptions apply; providing civil and criminal penalties; amending Minnesota Statutes 2010, section 145.4131, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 8; 145.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Nornes from the Committee on Higher Education Policy and Finance to which was referred:

H. F. No. 1101, A bill for an act relating to higher education; amending postsecondary education provisions; appropriating money; requiring a report; amending Minnesota Statutes 2010, section 136A.121, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

Subdivision 1. Summary By Fund. The amounts shown in this subdivision summarize direct appropriations, by fund, made in this article.

SUMMARY BY FUND

	<u>2012</u>	<u>2013</u>	<u>Total</u>
General	\$1,252,884,000	\$1,252,633,000	\$2,505,517,000
Health Care Access	2,157,000	2,157,000	4,314,000
<u>Total</u>	<u>\$1,255,041,000</u>	<u>\$1,254,790,000</u>	<u>\$2,509,831,000</u>

Subd. 2. Summary By Agency - All Funds. The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

SUMMARY BY AGENCY - ALL FUNDS

	<u>2012</u>	<u>2013</u>	<u>Total</u>
Minnesota Office of Higher Education	\$193,008,000	\$192,757,000	\$385,765,000
Mayo Medical Foundation	1,351,000	1,351,000	2,702,000
Board of Trustees of the Minnesota State Colleges and Universities	529,839,000	529,839,000	1,059,678,000
Board of Regents of the University of Minnesota	530,843,000	530,843,000	1,061,686,000
<u>Total</u>	<u>\$1,255,041,000</u>	<u>\$1,254,790,000</u>	<u>\$2,509,831,000</u>

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2012</u>	<u>2013</u>
Sec. 3. <u>MINNESOTA OFFICE OF HIGHER EDUCATION</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$193,008,000</u>	<u>\$192,757,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>State Grants</u>	<u>157,700,000</u>	<u>157,700,000</u>
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u>		
<u>For the biennium, the tuition maximum is \$10,488 in each year for students in four-year programs, and \$5,808 for students in two-year programs.</u>		
<u>This appropriation sets the living and miscellaneous expense allowance at \$7,000 each year.</u>		
Subd. 3. <u>Safety Officers' Survivors</u>	<u>100,000</u>	<u>100,000</u>
<u>This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to eligible dependent children and to the spouses of public safety officers killed in the line of duty.</u>		
<u>If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.</u>		
Subd. 4. <u>Child Care Grants</u>	<u>6,684,000</u>	<u>6,684,000</u>
Subd. 5. <u>State Work-Study</u>	<u>14,060,000</u>	<u>14,060,000</u>
Subd. 6. <u>Indian Scholarships</u>	<u>1,900,000</u>	<u>1,900,000</u>
<u>This appropriation includes funding each year to administer the Indian scholarship program.</u>		

<u>Subd. 7. Intervention for College Attendance Program Grants</u>	<u>671,000</u>	<u>671,000</u>
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For grants under Minnesota Statutes, section 136A.861. Up to \$50,000 of this appropriation each year may be used for administrative expenses.

<u>Subd. 8. Midwest Higher Education Compact</u>	<u>95,000</u>	<u>95,000</u>
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<u>Subd. 9. Interstate Tuition Reciprocity</u>	<u>3,150,000</u>	<u>3,250,000</u>
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If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

<u>Subd. 10. Minnesota College Savings Plan</u>	<u>350,000</u>	<u>-0-</u>
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<u>Subd. 11. MnLINK Gateway and Minitex</u>	<u>5,730,000</u>	<u>5,730,000</u>
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<u>Subd. 12. Student and Parent Information</u>	<u>119,000</u>	<u>118,000</u>
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<u>Subd. 13. Get Ready</u>	<u>175,000</u>	<u>175,000</u>
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<u>Subd. 14. Minnesota Minority Partnership</u>	<u>43,000</u>	<u>43,000</u>
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<u>Subd. 15. Agency Administration</u>	<u>2,231,000</u>	<u>2,231,000</u>
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<u>Subd. 16. Balances Forward</u>		
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A balance in the first year under this section does not cancel, but is available for the second year.

<u>Subd. 17. Transfers</u>		
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The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work-study appropriation, and the public safety officers' survivors appropriation. Transfers from the child care or state work-study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with prior written notice to the chairs of the senate and house of representatives committees with jurisdiction over higher education finance.

Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$529,839,000</u>	<u>\$529,839,000</u>
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Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>529,839,000</u>	<u>529,839,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Central Office and Shared Services Unit 40,000,000 40,000,000

For the Office of the Chancellor and the Shared Services Division.

Any reductions in the amount of appropriations under this subdivision and the appropriations for the Office of the Chancellor and the Shared Services Division in the biennium ending June 30, 2011, must not be allocated to any institution and must not be charged back to any campus or institution.

Any new transformational initiatives for the Minnesota State Colleges and Universities undertaken by the Board of Trustees during fiscal years 2012 and 2013 must be funded out of the direct appropriation for the central office and shared services. None of the direct appropriations for operation and maintenance of the Minnesota State Colleges and Universities may be used for new transformational initiatives in the biennium ending June 30, 2013.

Subd. 3. Operations and Maintenance 485,669,000 485,669,000

\$102,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services. The base appropriation under this paragraph is \$102,000.

One percent of the fiscal year 2013 appropriation in this subdivision is available in fiscal year 2013 after the Board of Trustees of the Minnesota State Colleges and Universities demonstrates to the commissioner of management and budget that the board has achieved at least three of the following five performance goals:

(1) increase by at least seven percent, compared to fiscal year 2009, graduates or degrees, diplomas and certificates conferred;

(2) increase by at least ten percent, compared to fiscal year 2010, the number of students of color;

(3) increase by at least fifteen percent, compared to fiscal year 2010, the full year equivalent enrollment of students taking online or blended courses or the number of online and blended sections;

(4) increase by at least one percent the fall 2011 persistence and completion rate for fall 2010 entering students compared to the fall 2010 rate for fall 2009 entering students; and

(5) decrease by at least three percent, compared to calendar year 2009, total energy consumption.

By October 1, 2011, the Board of Trustees and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the Minnesota State Colleges and Universities' attainment of each goal.

On or before April 1, 2012, the Board of Trustees must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the Minnesota State Colleges and Universities toward attaining the goals.

Subd. 4. Learning Network of Minnesota

4,170,000

4,170,000

Subd. 5. Education Priorities

The Board of Trustees, in fulfilling the requirements of Minnesota Statutes, section 136F.06, by making reductions, approving programs of study, establishing requirements for completion of programs, and approving course offerings and requirements for credentials, must place the highest priority on meeting the needs of Minnesota employers for a skilled workforce. The board must focus on the efficient delivery of higher education, eliminate duplication throughout the system, and streamline the operation of the system to provide an education that prepares students for the workforce needs of Minnesota.

Subd. 6. Minnesota State Colleges and Universities Tuition Maximums

In the biennium ending June 30, 2013, the maximum increase in tuition and mandatory fees for a Minnesota resident undergraduate student must not exceed:

(1) two percent per year at a state college; and

(2) four percent per year at a state university.

Sec. 5. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation

\$530,843,000

\$530,843,000

Appropriations by Fund

	<u>2012</u>	<u>2013</u>
<u>General</u>	<u>528,686,000</u>	<u>528,686,000</u>
<u>Health Care Access</u>	<u>2,157,000</u>	<u>2,157,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Operations and Maintenance</u>	<u>466,700,000</u>	<u>466,700,000</u>
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This appropriation includes funding for operation and maintenance of the system.

One percent of the fiscal year 2013 appropriation in this subdivision is available in fiscal year 2013 when the Board of Regents of the University of Minnesota demonstrates to the commissioner of management and budget that the board has met at least three of the following five performance goals:

(1) increase the amount of institutional financial aid so that it is greater in fiscal year 2012 than in fiscal year 2010, excluding federal stimulus funding. Institutional financial aid includes funds from the University of Minnesota Foundation and the Minnesota Medical Foundation;

(2) produce at least 13,500 total degrees on all campuses in fiscal year 2012;

(3) increase the undergraduate four- and six-year graduation rates on the Twin Cities campus for 2011-2012, as reported in the federal completions survey, over the numbers for 2009-2010, as reported in the federal completion survey;

(4) produce total research and development expenditures, as reported to the National Science Foundation (NSF) for the University of Minnesota system so that the amount in the 2012 NSF report is not less than the amount in the 2010 NSF report; and

(5) produce sponsored funding from business and industry so that funding in fiscal year 2012, as reported to the Board of Regents in December of that year, is not less than funding in fiscal year 2010.

By October 1, 2011, the Board of Regents and the Minnesota Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the University of Minnesota's attainment of each goal.

On or before April 1, 2012, the Board of Regents must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the University of Minnesota toward attaining the goals.

Subd. 3. Education Priorities

The Board of Regents, in fulfilling their governance responsibilities for the University of Minnesota by making reductions, approving programs of study, establishing requirements for completion of programs, approving course offerings and requirements for credentials, and authorizing and funding research are encouraged to place the highest priority on meeting the needs of Minnesota employers for a skilled workforce. The board must focus on the efficient delivery of higher education, eliminate duplication and redundancy, streamline administration, and focus on providing an education that prepares students for the workforce needs of Minnesota.

Subd. 4. University of Minnesota Tuition Maximums

The legislature expects that in the biennium ending June 30, 2013, net increases in tuition revenue attributable to tuition rate adjustments enacted by the Board of Regents for the 2011-2012 and 2012-2013 academic years for Minnesota resident undergraduate students enrolled in the University of Minnesota will not increase by more than \$17,700,000 for the 2011-2012 academic year and \$17,700,000 for the 2012-2013 academic year. The Board of Regents is encouraged to maximize tuition revenue gains through productivity measures including, but not limited to, enrollment growth, student credit hours, and other efficiency efforts in order to mitigate the need for tuition rate increases.

Subd. 5. Primary Care Education Initiatives

2,157,000

2,157,000

This appropriation is from the health care access fund.

Subd. 6. Special Appropriations

(a) Agriculture and Extension Service

42,514,000

42,514,000

For the Agricultural Experiment Station and the Minnesota Extension Service.

(b) Health Sciences

5,335,000

5,335,000

\$346,000 each year is to support up to 12 resident physicians in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in the rural areas of the state. The legislature intends this program to

improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

The remainder of this appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

(c) **Institute of Technology** 1,129,000 1,129,000

For the Geological Survey and the talented youth mathematics program.

(d) **System Special** 5,008,000 5,008,000

For general research, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, and the Bell Museum of Natural History.

(e) **University of Minnesota and Mayo Foundation Partnership** 8,000,000 8,000,000

For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation is available until expended. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the senate and house of representatives committees responsible for higher education and economic development by June 30 of each fiscal year.

Subd. 7. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,343,000 each year.

Sec. 6. **MAYO MEDICAL FOUNDATION**

Subdivision 1. **Total Appropriation** \$1,351,000 \$1,351,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Medical School** 665,000 665,000

The state of Minnesota must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. <u>Family Practice and Graduate Residency Program</u>	<u>686,000</u>	<u>686,000</u>
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The state of Minnesota must pay stipend support for up to 27 residents each year.

ARTICLE 2 RELATED HIGHER EDUCATION PROVISIONS

Section 1. Minnesota Statutes 2010, section 135A.51, subdivision 2, is amended to read:

Subd. 2. **Senior citizen.** "Senior citizen" means a person who has reached ~~66~~ 62 years of age before the beginning of any term, semester or quarter, in which a course of study is pursued, or a person receiving a railroad retirement annuity who has reached 60 years of age before the beginning of the term.

EFFECTIVE DATE. This section is effective the day following final enactment for terms beginning after July 1, 2011.

Sec. 2. Minnesota Statutes 2010, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of (1) allowances specified in law for living and miscellaneous expenses, and (2) an allowance for tuition and fees equal to ~~the lesser of~~ the average tuition and fees charged by the institution; that is: (i) for two-year programs, the highest tuition and fees charged by a Minnesota public college; (ii) for four-year programs, the highest average tuition and fees charged by a Minnesota public university; or (iii) for any program the tuition and fee maximums if established in law.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 3. **[136F.705] UNDERGRADUATE TUITION GUARANTEE PLAN.**

(a) The board of trustees is encouraged to offer entering students a plan providing stable tuition for students pursuing two-year or four-year degrees that can provide students a tuition option designed to meet the goals in this section.

(b) A Minnesota resident student who first enrolls in a degree program at a state college or university beginning in the fall of 2011 or later is guaranteed a stable tuition for up to four consecutive academic years.

(c) For an undergraduate student enrolled in a baccalaureate degree program at a state university, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the state university.

(d) For an undergraduate student enrolled in an associate degree program at a college, the tuition charged to the student for each semester of enrollment during a two-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after two consecutive academic years, the tuition rate for each semester in excess of two years is equal to the tuition rate for new enrollees at the college.

(e) Time limits for the stable tuition plan under this section do not apply to a student in the military while the student is on active military duty.

Sec. 4. Minnesota Statutes 2010, section 136G.01, is amended to read:

136G.01 PLAN ESTABLISHED.

A college savings plan known as the Minnesota college savings plan is established. In establishing this plan, the legislature seeks to encourage individuals to save for postsecondary education by:

- (1) providing a qualified tuition plan under federal tax law; and
- ~~(2) providing matching grants for contributions to the program by low- and middle-income families; and~~
- ~~(3)~~ (2) encouraging individuals, foundations, and businesses to provide additional grants to participating students.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 5. Minnesota Statutes 2010, section 136G.03, subdivision 1, is amended to read:

Subdivision 1. **General.** For purposes of sections 136G.01 to ~~136G.13~~ 136G.14, the following terms have the meanings given.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 6. Minnesota Statutes 2010, section 136G.03, subdivision 18, is amended to read:

Subd. 18. **Matching grant.** "Matching grant" means an amount added to a matching grant account under section 136G.11 for eligible account beneficiaries for account contributions in calendar years 2001 to 2010.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 7. Minnesota Statutes 2010, section 136G.03, subdivision 27, is amended to read:

Subd. 27. **Plan.** "Plan" refers to the plan established under sections 136G.01 to ~~136G.13~~ 136G.14.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 8. Minnesota Statutes 2010, section 136G.05, subdivision 1, is amended to read:

Subdivision 1. **Responsibilities.** (a) The director shall establish the rules, terms, and conditions for the plan, subject to the requirements of sections 136G.01 to ~~136G.13~~ 136G.14.

(b) The director shall prescribe the application forms, procedures, and other requirements that apply to the plan.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 9. Minnesota Statutes 2010, section 136G.05, subdivision 6, is amended to read:

Subd. 6. **Three-year period for withdrawal of grants.** A matching grant deposited in ~~the~~ a matching grant account based on account owner contributions during calendar years 2001 to 2010 under section 136G.11 may not be withdrawn within three years of the establishment of the account of the beneficiary. In calculating the three-year period, the period held in another account is included, if the account includes a rollover from another account under section 529(c)(3)(C) of the Internal Revenue Code.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 10. Minnesota Statutes 2010, section 136G.05, subdivision 8, is amended to read:

Subd. 8. **Administration.** The director shall administer the program, including accepting and processing applications, maintaining account records, making payments, ~~making matching grants under section 136G.11,~~ and undertaking any other necessary tasks to administer the program. The office may contract with one or more third parties to carry out some or all of these administrative duties, including providing incentives and marketing the program. The office and the board may jointly contract with third-party providers, if the office and board determine that it is desirable to contract with the same entity or entities for administration and investment management.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 11. **[137.105] UNDERGRADUATE TUITION GUARANTEE PLAN.**

The Board of Regents is encouraged to offer students a guaranteed tuition plan that can provide students a tuition option designed to meet the goals in this section. A Minnesota resident student who first enrolls in a degree program at the University of Minnesota beginning in the fall of 2011 or later may be offered guaranteed stable tuition for up to four consecutive academic years. Under the guaranteed plan, for an undergraduate student enrolled in a baccalaureate degree program, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the University of Minnesota. Time limits for the stable tuition plan under this section do not apply to a student in the military while the student is on active military duty.

Sec. 12. **STUDY OF GRADUATE EDUCATION IN FOR-PROFIT SECTOR.**

The Minnesota Office of Higher Education must study graduate education in the for-profit institutions that offer graduate education to Minnesota students. The study must examine the rights and responsibilities of graduate students attending for-profit institutions. At a minimum, the study must include an analysis of contractual arrangements with graduate students, fulfillment of these contracts by all parties, protection of graduate students' intellectual property rights, communication of well-defined expectations for completion of graduation requirements, provision of adequate notice of changing expectations for completion of graduate degrees, and ease of access by the graduate student to information on the policies and procedures of the institution. The study must evaluate the extent to which these institutions provide clear guidelines for graduate studies on due process, academic freedom of inquiry, and recourse for graduate students if a potential conflict of interest situation, including access to alternative dispute resolution systems, and provide examples of effective guidelines and policies. The office must report on the findings of this study by January 15, 2013, to the committees of the legislature with jurisdiction over higher education finance. The report must include recommendations for any changes to improve graduate education in the for-profit sector.

Sec. 13. **CREDIT TRANSFER WITHIN MINNESOTA STATE COLLEGES AND UNIVERSITIES.**

By February 15, 2012, the Board of Trustees of the Minnesota State Colleges and Universities must adopt a policy requiring every college and university of the Minnesota State Colleges and Universities to grant credit for a course that is taken for credit at any of the colleges or universities in the system. The policy must require the credit to transfer to the receiving institution at the same number of credits granted at the transferring institution. The policy must also address the transfer of credits awarded to students in the Anoka STEP and other 2+2 programs offered in conjunction with colleges in the Minnesota State Colleges and Universities (MnSCU) to all colleges within MnSCU. The policy adopted under this section may allow credits to transfer as an equal number of elective credits.

Sec. 14. **REPEALER.**

(a) Minnesota Statutes 2010, sections 135A.26; and 181.986, are repealed.

(b) Minnesota Statutes 2010, section 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10, are repealed effective July 2, 2012.

(c) Laws 2009, chapter 95, article 2, section 39, is repealed effective July 1, 2011."

Delete the title and insert:

"A bill for an act relating to higher education; amending postsecondary education provisions; requiring reports; changing Minnesota college savings plan matching grants; making technical changes; modifying definitions; setting requirements for credit transfer; providing stable undergraduate tuition rates; modifying achieve scholarship program; requiring a study of graduate education in for-profit sector; repealing certain provisions related to equipment and apparel; appropriating money; amending Minnesota Statutes 2010, sections 135A.51, subdivision 2; 136A.121, subdivision 6; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05, subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 136F; 137; repealing Minnesota Statutes 2010, sections 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009, chapter 95, article 2, section 39."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Beard from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 1149, A bill for an act relating to transportation finance; appropriating money for aeronautics activities.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 821, 849 and 936 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

McDonald, Cornish and Mullery introduced:

H. F. No. 1270, A bill for an act relating to public safety; expanding e-charging to include citations, juvenile adjudication, and implied consent test refusal or failure; amending Minnesota Statutes 2010, section 299C.41, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Wardlow introduced:

H. F. No. 1271, A bill for an act relating to taxation; clarifying research and development base percentage; amending Minnesota Statutes 2010, section 290.068, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

McFarlane, Gunther, Scalze, Kieffer, Greiling, Kath, Greene, Rukavina, Erickson, Lanning, Mariani, Garofalo, Brynaert, Mahoney, Doepke, Marquart, Dettmer, Nornes, Banaian and O'Driscoll introduced:

H. F. No. 1272, A bill for an act relating to education; proposing a transitions plan for high school students to successfully pursue postsecondary education and employment; appropriating money; amending Minnesota Statutes 2010, section 120B.125.

The bill was read for the first time and referred to the Committee on Education Reform.

Melin, Anzelc and Rukavina introduced:

H. F. No. 1273, A bill for an act relating to capital investment; appropriating money for the Central Iron Range Sanitary Sewer District; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance.

Wardlow, Hilstrom, Simon, Smith and Mazorol introduced:

H. F. No. 1274, A bill for an act relating to business organizations; regulating the organization and operation of limited liability companies; enacting a revised uniform limited liability company act; providing conforming changes; amending Minnesota Statutes 2010, sections 48A.03, subdivision 4; 181.970, subdivision 2; 270C.721; 273.124, subdivision 8; 290.01, subdivision 3b; 302A.011, by adding subdivisions; 302A.115, subdivision 1; 302A.681; 302A.683; 302A.685; 302A.689; 302A.691; 308A.121, subdivision 1; 308B.801, subdivisions 1, 2, 5; 308B.805, subdivision 1; 308B.835, subdivision 2; 317A.115, subdivision 2; 319B.02, subdivisions 3, 22; 319B.10, subdivision 3; 321.0108; proposing coding for new law in Minnesota Statutes, chapter 302A; proposing coding for new law as Minnesota Statutes, chapter 322C; repealing Minnesota Statutes 2010, sections 302A.687; 322B.01; 322B.02; 322B.03, subdivisions 1, 2, 3, 6, 6a, 7, 8, 10, 11, 12, 13, 14, 15, 17, 17a, 17b, 18, 19, 19a, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 31a, 32, 33, 34, 35, 36, 36a, 37, 38, 39, 40, 41, 41a, 42, 43, 44, 45, 45a, 46, 47, 48, 49, 50, 51; 322B.04; 322B.10; 322B.105; 322B.11; 322B.115; 322B.12, subdivisions 1, 2, 3, 4, 5; 322B.125; 322B.13; 322B.135; 322B.14; 322B.145; 322B.15; 322B.155; 322B.16; 322B.165; 322B.17; 322B.175; 322B.18; 322B.20; 322B.21; 322B.22; 322B.23; 322B.30; 322B.303; 322B.306; 322B.31; 322B.313; 322B.316; 322B.32; 322B.323; 322B.326; 322B.33; 322B.333; 322B.336; 322B.34; 322B.343; 322B.346; 322B.348; 322B.35; 322B.353; 322B.356; 322B.36; 322B.363, subdivisions 1, 2, 3, 4, 5, 6, 7; 322B.366, subdivision 1; 322B.37; 322B.373; 322B.376; 322B.38; 322B.383; 322B.386; 322B.40; 322B.41; 322B.42; 322B.43; 322B.50; 322B.51; 322B.52; 322B.53; 322B.54; 322B.55; 322B.56; 322B.60; 322B.603; 322B.606; 322B.61; 322B.613; 322B.616; 322B.62; 322B.623; 322B.626; 322B.63; 322B.633; 322B.636; 322B.64; 322B.643; 322B.646; 322B.65; 322B.653; 322B.656; 322B.66; 322B.663; 322B.666; 322B.67; 322B.673; 322B.676; 322B.679; 322B.68; 322B.683; 322B.686; 322B.689; 322B.69; 322B.693; 322B.696; 322B.699; 322B.70; 322B.71; 322B.72; 322B.73; 322B.74; 322B.75; 322B.755; 322B.76; 322B.77; 322B.78; 322B.80; 322B.803; 322B.806; 322B.81; 322B.813; 322B.816, subdivisions 1, 2, 4, 5, 6; 322B.82; 322B.823; 322B.826; 322B.83; 322B.833; 322B.836; 322B.84; 322B.843; 322B.846; 322B.85; 322B.853; 322B.856; 322B.86; 322B.863; 322B.866; 322B.87; 322B.873, subdivisions 1, 4; 322B.876, subdivision 1; 322B.88; 322B.883; 322B.90; 322B.905; 322B.91, subdivisions 1, 2; 322B.915; 322B.92; 322B.925; 322B.93; 322B.935; 322B.94; 322B.945; 322B.95; 322B.955; 322B.960, subdivisions 1, 4, 5; 322B.975.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Drazkowski, Westrom, Scott and Holberg introduced:

H. F. No. 1275, A bill for an act relating to common interest ownership; clarifying certain provisions related to disclosure statements; amending Minnesota Statutes 2010, section 515B.4-106.

The bill was read for the first time and referred to the Committee on Civil Law.

Knuth, Slocum, Loeffler and Nelson introduced:

H. F. No. 1276, A bill for an act relating to liquor; authorizing brewpubs to sell malt liquor to licensed wholesalers for distribution to other retail licensees without limit; amending Minnesota Statutes 2010, section 340A.301, subdivision 6.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Swedzinski; Gunther; Hamilton; Schomacker; LeMieur; Anderson, P.; Davids; Shimanski; Nornes and Westrom introduced:

H. F. No. 1277, A bill for an act relating to environment; modifying disposition of certain money recovered by the state; amending Minnesota Statutes 2010, section 115.073.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Franson introduced:

H. F. No. 1278, A bill for an act relating to cultural heritage; appropriating money to preserve the Todd County Historic Court House; amending Minnesota Statutes 2010, section 297A.71, by adding a subdivision.

The bill was read for the first time and referred to the Legacy Funding Division.

Ward introduced:

H. F. No. 1279, A bill for an act relating to natural resources; reauthorizing minimum shoreland standard rules.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Clark and Greiling introduced:

H. F. No. 1280, A bill for an act relating to housing; the Housing Finance Agency; appropriating money to the family homeless prevention and assistance program.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Clark, Moran and Greiling introduced:

H. F. No. 1281, A bill for an act relating to housing; the Housing Finance Agency; appropriating money to the family homeless prevention and assistance program.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.

Clark, Greiling and Scalze introduced:

H. F. No. 1282, A bill for an act relating to cosmetology; prohibiting the use and possession of certain products; requiring a study; proposing coding for new law in Minnesota Statutes, chapter 155A.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Hackbarth introduced:

H. F. No. 1283, A bill for an act relating to natural resources; modifying operating provisions for certain recreational vehicles; providing for dual registration of certain motorcycles; modifying special vehicle use on roadways; amending Minnesota Statutes 2010, sections 84.777, subdivision 2; 84.788, by adding a subdivision; 84.9257; 168.002, subdivision 18; 168A.085; 169.045, subdivisions 1, 2, 3, 5, 6, 7, 8.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Beard, Morrow and Nelson introduced:

H. F. No. 1284, A bill for an act relating to railroads; exempting train crews from requirement for driver's license; amending Minnesota Statutes 2010, section 171.03.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.

Mullery, Gauthier and Slocum introduced:

H. F. No. 1285, A bill for an act relating to controlled substances; adding to the list of schedule I controlled substances; amending Minnesota Statutes 2010, section 152.02, subdivision 2.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Loeffler; Hansen; Howes; Anderson, P.; Lanning and Murphy, M., introduced:

H. F. No. 1286, A bill for an act relating to administration; appropriating money for a structural risk assessment of the Capitol site.

The bill was read for the first time and referred to the Committee on State Government Finance.

Hansen, Loeffler, Lanning and Murphy, M., introduced:

H. F. No. 1287, A bill for an act relating to capital investment; appropriating money for phase 1 Capitol security and access improvements.

The bill was read for the first time and referred to the Committee on State Government Finance.

Loeffler, Hansen, Howes, Lanning and Murphy, M., introduced:

H. F. No. 1288, A bill for an act relating to capital investment; appropriating money for phase 1 Capitol security and access improvements; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on State Government Finance.

MOTIONS AND RESOLUTIONS

Hackbarth moved that the name of Persell be added as an author on H. F. No. 225. The motion prevailed.

Clark moved that the name of Hornstein be added as an author on H. F. No. 647. The motion prevailed.

Clark moved that the name of Hornstein be added as an author on H. F. No. 648. The motion prevailed.

Holberg moved that the name of Westrom be added as an author on H. F. No. 936. The motion prevailed.

Hayden moved that the name of Slocum be added as an author on H. F. No. 1203. The motion prevailed.

Murphy, E., moved that the names of Slocum and Tillberry be added as authors on H. F. No. 1204. The motion prevailed.

Mullery moved that the name of Hayden be added as an author on H. F. No. 1227. The motion prevailed.

Davids moved that the name of Kiffmeyer be added as an author on H. F. No. 1235. The motion prevailed.

Hayden moved that the name of Champion be added as an author on H. F. No. 1257. The motion prevailed.

Hornstein moved that the name of Slocum be added as an author on H. F. No. 1267. The motion prevailed.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, March 24, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and Speaker pro tempore Davids declared the House stands adjourned until 12:00 noon, Thursday, March 24, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives