

STATE OF MINNESOTA

EIGHTY-NINTH SESSION — 2015

 FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 17, 2015

The House of Representatives convened at 10:00 a.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by Pastor Jenifer Collins, Our Redeemer Lutheran Church, Saint 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:

Albright	Dehn, R.	Hertaus	Lillie	O'Driscoll	Simonson
Anderson, M.	Dettmer	Hilstrom	Lohmer	O'Neill	Slocum
Anderson, P.	Dill	Hoppe	Loon	Pelowski	Smith
Anderson, S.	Drazkowski	Hornstein	Loonan	Peppin	Sundin
Anzenc	Erhardt	Hortman	Lucero	Petersburg	Swedzinski
Atkins	Erickson	Howe	Lueck	Peterson	Theis
Backer	Fabian	Isaacson	Mack	Pierson	Thissen
Baker	Fenton	Johnson, B.	Marquart	Pinto	Torkelson
Barrett	Fischer	Johnson, C.	Masin	Poppe	Uglen
Bennett	Franson	Johnson, S.	McNamara	Pugh	Urdahl
Bly	Freiberg	Kahn	Melin	Quam	Vogel
Carlson	Garofalo	Kelly	Metsa	Rarick	Wagenius
Christensen	Green	Kiel	Miller	Rosenthal	Whelan
Clark	Gunther	Knoblach	Mullery	Runbeck	Wills
Considine	Hackbarth	Koznick	Murphy, M.	Sanders	Winkler
Cornish	Hamilton	Kresha	Nash	Schoen	Yarusso
Daniels	Hancock	Laine	Nelson	Schomacker	Youakim
Davids	Hansen	Lenczewski	Newberger	Schultz	Spk. Daudt
Davnie	Hausman	Liebling	Newton	Scott	
Dean, M.	Heintzeman	Lien	Nornes	Selcer	

A quorum was present.

Allen; Applebaum; Bernardy; Gruenhagen; Halverson; Lesch; Loeffler; Mahoney; Mariani; McDonald; Moran; Murphy, E.; Norton; Persell; Ward and Zerwas 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.

REPORTS OF CHIEF CLERK

S. F. No. 1238 and H. F. No. 1090, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

Sanders moved that S. F. No. 1238 be substituted for H. F. No. 1090 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 4, A bill for an act relating to transportation; establishing a budget for transportation; appropriating money for transportation, including Department of Transportation, Metropolitan Council, and Department of Public Safety activities; amending various provisions governing transportation policy and finance; establishing funds and accounts; requiring reports; authorizing sale and issuance of trunk highway bonds; amending Minnesota Statutes 2014, sections 16A.11, subdivision 3a; 16A.86, subdivision 2; 16A.88, subdivisions 1a, 2; 16E.15, subdivision 2; 117.036, subdivisions 2, 4; 160.20, subdivision 4; 160.27, by adding a subdivision; 161.04, by adding a subdivision; 161.231; 161.321, subdivisions 2a, 2c, 4; 162.07, subdivision 1a; 168.053, subdivision 1; 168.1299, subdivision 1; 169.475, subdivision 2; 169.49; 169.782, subdivisions 1, 2, 4; 169.81, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.87, subdivision 6; 173.02, by adding a subdivision; 173.15; 174.40, by adding a subdivision; 174.636, by adding a subdivision; 174.92; 174.93, subdivision 1; 221.031, by adding a subdivision; 221.605, by adding a subdivision; 299A.465, subdivision 5, by adding a subdivision; 299D.085, subdivision 2; 299D.09; 360.305, subdivision 4; 398A.04, by adding a subdivision; 473.13, by adding a subdivision; 473.146, subdivision 4; 473.39, by adding a subdivision; 473.399, by adding a subdivision; 473.4051, subdivision 2; Laws 2009, chapter 158, section 10, as amended; Laws 2014, chapter 312, article 11, section 3; proposing coding for new law in Minnesota Statutes, chapters 16A; 160; 161; 162; 168; 174; 299F; repealing Minnesota Statutes 2014, section 299E.02.

Reported the same back with the following amendments:

Page 8, after line 20, insert:

"The commissioner may expend an amount as necessary for land acquisition on Corridors of Commerce projects funded under article 2, section 2, subdivision 1."

Page 14, delete lines 25 to 28

Page 32, delete section 12 and insert:

"Sec. 12. Minnesota Statutes 2014, section 161.04, is amended by adding a subdivision to read:

Subd. 7. **Trunk highway fund base appropriations.** In conjunction with each forecast under sections 16A.103 and 174.03, subdivision 9, the commissioner shall identify base appropriations in each forecasted fiscal year from the trunk highway fund to the commissioner for the state road construction budget activity. The base appropriations must be adjusted such that, following the financial policies of the department, 90 percent of the unreserved trunk highway fund balance calculated absent the requirement under this subdivision is allocated for state road construction."

Page 51, delete section 50

Page 52, delete section 52

Page 55, line 19, delete "and reaches"

Page 55, line 20, delete "agreement"

Page 56, line 17, delete "Definitions" and insert "Definition" and delete "(a)" and delete everything after the comma

Page 56, delete lines 18 to 20

Page 56, line 21, delete "(c)"

Page 56, delete line 29

Page 56, line 30, delete "law to the contrary," and insert "(b)"

Page 57, line 1, delete "toll facilities, BOT facilities, BTO facilities,"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 844, A bill for an act relating to education; providing funding and policy for early childhood and family, prekindergarten through grade 12, and adult education, including general education, education excellence, special education, facilities, technology, nutrition, libraries, accounting, early childhood, education, self-sufficiency, lifelong learning, and state agencies; appropriating money; amending Minnesota Statutes 2014, sections 120A.41; 122A.415, subdivision 1; 124D.1158, subdivision 3; 124D.15, subdivision 5; 124D.162; 124D.165, subdivision 2; 124D.42, subdivision 8; 124D.59, subdivision 2; 125A.79, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivisions 2, 13a; 127A.41, subdivisions 8, 9; proposing coding for new law in Minnesota Statutes, chapter 124D; repealing Minnesota Statutes 2014, sections 124D.15, subdivision 3a; 124D.16, subdivisions 2, 3, 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2014, section 120A.41, is amended to read:

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

A school board's annual school calendar must include at least 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. The school calendar for all-day kindergarten must

include at least 850 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the ~~commissioner~~ board under ~~section 124D.126~~ sections 124D.12 to 124D.127.

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

Sec. 2. Minnesota Statutes 2014, section 124D.11, subdivision 1, is amended to read:

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

(b) For a charter school operating an extended day, extended week, or summer program, the general education revenue for each extended-time pupil unit equals \$4,794 in paragraph (a) is increased by an amount equal to 25 percent of the statewide average extended support revenue per pupil unit.

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

Sec. 3. Minnesota Statutes 2014, section 124D.121, is amended to read:

124D.121 DEFINITION OF FLEXIBLE LEARNING YEAR PROGRAM.

"Flexible learning year program" means any district plan ~~approved by the commissioner~~ that utilizes buildings and facilities during the entire year or that provides forms of optional scheduling of pupils and personnel during the learning year in elementary and secondary schools or residential facilities for children with a disability.

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

Sec. 4. Minnesota Statutes 2014, section 124D.122, is amended to read:

124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district or a consortium of districts, ~~with the approval of the commissioner,~~ may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortia may use a single ~~application and~~ evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections.

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

Sec. 5. Minnesota Statutes 2014, section 124D.126, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner must:

(1) ~~promulgate rules necessary to the operation of sections 124D.12 to 124D.127;~~

~~(2)~~ (1) cooperate with and provide supervision of flexible learning year programs to determine compliance with the provisions of sections 124D.12 to 124D.127, ~~the commissioner's standards and qualifications, and the proposed program as submitted and approved;~~

~~(3)~~ (2) provide any necessary adjustments of ~~(a)~~ (i) attendance and membership computations and ~~(b)~~ (ii) the dates and percentages of apportionment of state aids; and

(4) (3) consistent with the definition of "average daily membership" in section 126C.05, subdivision 8, furnish the board of a district implementing a flexible learning year program with a formula for computing average daily membership. This formula must be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

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

Sec. 6. Minnesota Statutes 2014, section 124D.127, is amended to read:

124D.127 TERMINATION OF FLEXIBLE LEARNING YEAR PROGRAM.

The board of any district, ~~with the approval of the commissioner of education,~~ may terminate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. This section shall not be construed to permit an exception to section 120A.22, 127A.41, subdivision 7, or 127A.43.

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

Sec. 7. Minnesota Statutes 2014, section 124D.128, subdivision 1, is amended to read:

Subdivision 1. **Program established.** A learning year program provides instruction throughout the year on an extended year calendar, extended school day calendar, or both. ~~A pupil may participate in the program and accelerate attainment of grade level requirements or graduation requirements.~~ A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12.

Sec. 8. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, 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, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total operating capital revenue, equity revenue, alternative teacher compensation revenue, and transition revenue.~~

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

Sec. 9. Minnesota Statutes 2014, section 126C.10, subdivision 2, is amended to read:

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

~~for fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The formula allowance for fiscal year 2015 and later is \$5,831. The formula allowance for fiscal year 2016 is \$5,864. The formula allowance for fiscal year 2017 and later is \$5,898.~~

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

Subd. 2a. **Extended time support revenue.** (a) ~~A school district's extended time revenue for fiscal year 2014 is equal to the product of \$4,601 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. A school district's extended time support revenue for fiscal year 2015 and later is equal to the product of \$5,017~~ \$5,117 and the sum of the adjusted 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 support~~ revenue may be used for extended day programs, extended week programs, summer school, vacation break academies such as spring break academies and summer term academies, and other programming authorized under the learning year program. Extended support revenue may also be used by alternative learning centers serving high school students for academic purposes during the school day.

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

Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 2e, is amended to read:

Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district equals \$424 times the adjusted pupil units of the district for that school year.

(b) A district's local optional levy equals its local optional revenue times the lesser of one or the ratio of its referendum market value per resident pupil unit to ~~\$510,000~~ the local optional equalizing factor. The local optional revenue levy must be spread on referendum market value. A district may levy less than the permitted amount.

(c) A district's local optional aid equals its local optional revenue less its local optional levy, times the ratio of the actual amount levied to the permitted levy.

(d) A district's local optional equalizing factor equals \$510,000 times the greater of one or the ratio of the district's seasonal recreational factor to 0.30.

(e) A district's seasonal recreational factor equals the ratio of the market value of property in the district classified as 4(c)12 under section 273.13 to the district's total taxable market value under section 273.13.

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

Sec. 12. Minnesota Statutes 2014, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) ~~For fiscal year 2014, the compensatory education revenue for each building in the district equals the formula allowance minus \$415 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. For fiscal year 2015~~ 2016 and later, the compensatory education revenue for each building in the district equals the formula allowance for fiscal year 2015 minus \$839 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3.

(b) A district's compensatory revenue under paragraph (a) is increased by an amount equal to the product of (1) the ratio of the statewide compensatory growth revenue to the sum of the number of pupils in the district eligible to receive free lunch plus one-half of the number of pupils eligible to receive reduced-price lunch on October 1 of the previous year, and (2) the district's number of pupils eligible to receive free lunch plus one-half of the number of pupils eligible to receive reduced-price lunch on October 1 of the previous year.

(c) Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

~~(b)~~ (d) 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.

~~(e)~~ (e) 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.

(f) Statewide compensatory growth revenue equals the difference between compensatory revenue computed under paragraph (a) with the formula allowance for the current year and the revenue computed under paragraph (a) using the formula allowance for fiscal year 2015.

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

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

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal year 2015 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 \$14,500.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 14. Minnesota Statutes 2014, section 126C.10, subdivision 18, is amended to read:

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

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

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

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

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

(v) Subtract the result in clause (iv) from the result in clause (iii).

(vi) Multiply the result in clause (v) by the greater of (1) one or (2) the ratio of the square mile area of the district to 3,000.

(vii) For a district that does not qualify for secondary sparsity revenue under subdivision 7 or elementary sparsity revenue under subdivision 8, multiply the result in clause (vi) by the greater of (1) one or (2) the ratio of the square mile area of the district to 525.

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

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

Sec. 15. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

(e) A school district's equity revenue ~~for a school district located in the metro equity region~~ equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

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

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

Sec. 16. Minnesota Statutes 2014, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** ~~(a) For fiscal years 2013 and 2014 only, a district's general education aid is the sum of the following amounts:~~

~~(1) general education revenue, excluding equity revenue, total operating capital revenue, alternative teacher compensation revenue, and transition revenue;~~

~~(2) operating capital aid under section 126C.10, subdivision 13b;~~

~~(3) equity aid under section 126C.10, subdivision 30;~~

~~(4) alternative teacher compensation aid under section 126C.10, subdivision 36;~~

~~(5) transition aid under section 126C.10, subdivision 33;~~

~~(6) shared time aid under section 126C.01, subdivision 7;~~

~~(7) referendum aid under section 126C.17, subdivisions 7 and 7a; and~~

~~(8) online learning aid according to section 124D.096.~~

~~(b)~~ For fiscal year 2015 and later, A district's general education aid equals:

(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue, ~~minus the student achievement levy, multiplied times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy;~~ plus

(2) operating capital aid under section 126C.10, subdivision 13b;

~~(2)~~ (3) equity aid under section 126C.10, subdivision 30; plus

~~(3)~~ (4) transition aid under section 126C.10, subdivision 33; plus

~~(4)~~ (5) shared time aid under section 126C.10, subdivision 7; plus

~~(5)~~ (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus

~~(6)~~ (7) online learning aid under section 124D.096; plus

~~(7)~~ (8) local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

EFFECTIVE DATE. Clause (1) of this section is effective for fiscal year 2017 and later. Clause (2) of this section is effective for fiscal year 2015 and later.

Sec. 17. Minnesota Statutes 2014, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade. Any of the following may be provided to meet these learners' needs:

(1) direct instructional services under the assurance of mastery program according to section 124D.66;

(2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;

(3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;

(4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;

(5) recruitment and new teacher development activities through quality mentor-led induction or "grow your own" initiatives;

(6) a hiring bonus or other added compensation for a teacher identified as effective or highly effective under the local teacher professional review cycle who agrees to work in a hard-to-fill position or hard-to-staff school setting such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students;

~~(5)~~ (7) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;

~~(6)~~ (8) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;

~~(7)~~ (9) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;

~~(8)~~ (10) bilingual programs, bicultural programs, and programs for English learners;

~~(9)~~ all-day kindergarten;

~~(10)~~ (11) prekindergarten programs for four-year-olds and other early education programs, parent-training programs, school readiness programs, ~~kindergarten programs for four-year-olds~~, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

~~(11)~~ (12) extended school day and extended school year programs including summer academies; and

~~(12)~~ (13) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

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

Sec. 18. Minnesota Statutes 2014, section 126C.15, subdivision 2, is amended to read:

Subd. 2. **Building allocation.** (a) Unless a plan has been adopted according to paragraph (b), a district or cooperative must allocate its compensatory revenue to each school building in the district or cooperative where the children who have generated the revenue are served ~~unless the school district or cooperative has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to student performance measures developed by the school board.~~

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

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

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

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

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

Sec. 19. Minnesota Statutes 2014, section 126C.15, subdivision 3, is amended to read:

Subd. 3. **Recommendation.** A school site decision-making team, as defined in section 123B.04, subdivision 2, paragraph (a), or the instruction and curriculum advisory committee under section 120B.11, if the school has no school site decision team, ~~shall~~ may recommend to the school board how the compensatory education revenue will be used to carry out the purpose of this section. A school district that has received permission under Laws 2005, First Special Session chapter 5, article 1, section 50, to allocate compensatory revenue according to school performance measures shall share its plan for the distribution of compensatory revenue with the school site decision team.

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

Sec. 20. Minnesota Statutes 2014, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance equals the result of the following calculations:

(1) multiply the referendum allowance the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections held before July 1, 2013, by the resident marginal cost pupil units the district would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;

(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015;

(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;

(5) add to the result in clause (4) any additional referendum allowance resulting from inflation adjustments approved by the voters prior to January 1, 2014;

(6) subtract from the result of clause (5), the sum of a district's actual local optional levy and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil units of the district for that school year; and

(7) if the result of clause (6) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance, plus any new referendum allowance authorized between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional referendum allowance per adjusted pupil unit authorized after December 31, 2013, minus any allowances expiring in fiscal year 2016 or later, provided that the allowance may not be less than zero. For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into components such that the same percentage of the

district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a district with more than one allowance for fiscal year 2015 that expires in the same year, the reduction under paragraph (a), clause (6), to offset local optional revenue shall be made first from any allowances that do not have an inflation adjustment approved by the voters.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 21. Minnesota Statutes 2014, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal year 2015 and later, a district's referendum allowance must not exceed the annual inflationary increase as calculated under paragraph (b) times the greatest of:

(1) \$1,845;

(2) the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015;

(3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015; minus \$424 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (a), minus \$212 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (b); or

(4) for a newly reorganized district created after July 1, 2013, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year 2016 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2015. For fiscal year 2016 and later, for purposes of paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2015.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 22. **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>\$6,546,760,000</u>	<u>.....</u>	<u>2016</u>
<u>\$6,609,377,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$622,908,000 for 2015 and \$5,923,852,000 for 2016.

The 2017 appropriation includes \$630,151,000 for 2016 and \$5,979,226,000 for 2017.

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>\$39,000</u>	.....	<u>2016</u>
<u>\$42,000</u>	.....	<u>2017</u>

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

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

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

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

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

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

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

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

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

<u>\$16,756,000</u>	.....	<u>2016</u>
<u>\$17,309,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,575,000 for 2015 and \$15,181,000 for 2016.

The 2017 appropriation includes \$1,686,000 for 2016 and \$15,623,000 for 2017.

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

<u>\$17,322,000</u>	.....	<u>2016</u>
<u>\$17,228,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,816,000 for 2015 and \$15,506,000 for 2016.

The 2017 appropriation includes \$1,722,000 for 2016 and \$15,506,000 for 2017.

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>2016</u>
<u>\$65,000</u>	.....	<u>2017</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>\$7,325,000</u>	.....	<u>2016</u>
<u>\$7,325,000</u>	.....	<u>2017</u>

Of this amount, \$4,730,000 in each year is for a grant to Independent School District No. 11, Anoka-Hennepin; \$240,000 in each year is for a grant to Independent School District No. 286, Brooklyn Center; \$660,000 in each year is for a grant to Independent School District No. 279, Osseo; \$500,000 in each year is for a grant to Independent School District No. 281, Robbinsdale; \$520,000 in each year is for a grant to Independent School District No. 535, Rochester; \$205,000 in each year is for a grant to Independent School District No. 833, South Washington; and \$470,000 in each year is for a grant to Independent School District No. 241, Albert Lea.

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.

Subd. 10. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

<u>\$5,420,000</u>	.....	<u>2016</u>
<u>\$4,405,000</u>	.....	<u>2017</u>

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

The 2017 appropriation includes \$538,000 for 2016 and \$3,867,000 for 2017.

Sec. 23. **REPEALER.**

Minnesota Statutes 2014, sections 126C.12, subdivision 6; 126C.13, subdivisions 3a, 3b, and 3c; and 126C.41, subdivision 1, and Minnesota Rules, part 3500.1000, are repealed.

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2014, section 5A.03, is amended to read:

5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.

Subdivision 1. **Placing high school students in Minnesota.** (a) An application for registration as an international student exchange visitor placement organization must be submitted in the form prescribed by the secretary of state. The application must include:

- (1) evidence that the organization meets the standards established by the secretary of state by rule;
- (2) the name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;
- (3) the organization's unified business identification number, if any;
- (4) the organization's Office of Exchange Coordination and Designation, United States Department of State number, if any;

(5) evidence of Council on Standards for International Educational Travel listing, if any;

(6) whether the organization is exempt from federal income tax; and

(7) a list of the organization's placements in Minnesota for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(b) The application must be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising placements within Minnesota. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(c) Organizations that have registered shall inform the secretary of state of any changes in the information required under paragraph (a), clause (1), within 30 days of the change. There is no fee to amend a registration.

(d) Registration under this chapter is valid for one year. The registration may be renewed annually. The fee to renew a registration is \$50 per year.

(e) Organizations registering for the first time in Minnesota must pay an initial registration fee of \$150.

(f) Fees collected by the secretary of state under this section must be deposited in the state treasury and credited to the general fund.

Subd. 2. Placing Minnesota students in travel abroad programs. (a) A school district or charter school with enrolled students who participate in a foreign exchange or study or other travel abroad program under a written agreement between the district or charter school and the program provider must use a form developed by the Department of Education to annually report to the department by November 1 the following data from the previous school year:

(1) the number of Minnesota student deaths that occurred while Minnesota students were participating in the foreign exchange or study or other travel abroad program and that resulted from Minnesota students participating in the program;

(2) the number of Minnesota students hospitalized due to accidents and the illnesses that occurred while Minnesota students were participating in the foreign exchange or study or other travel abroad program and that resulted from Minnesota students participating in the program; and

(3) the name and type of the foreign exchange or study or other travel abroad program and the city or region where the reported death, hospitalization due to accident, or the illness occurred.

(b) School districts and charter schools must ask but must not require enrolled eligible students and the parents or guardians of other enrolled students who complete a foreign exchange or study or other travel abroad program to disclose the information under paragraph (a).

(c) When reporting the data under paragraph (a), a school district or charter school may supplement the data with a brief explanatory statement. The Department of Education annually must aggregate and publish the reported data on the department Web site in a format that facilitates public access to the aggregated data and include links to both the United States Department of State's Consular Information Program that informs the public of conditions abroad that may affect students' safety and security and the publicly available reports on sexual assaults and other criminal acts affecting students participating in a foreign exchange or study or other travel abroad program.

(d) School districts and charter schools with enrolled students who participate in foreign exchange or study or other travel abroad programs under a written agreement between the district or charter school and the program provider are encouraged to adopt policies supporting the programs and to include program standards in their policies to ensure students' health and safety.

(e) To be eligible under this subdivision to provide a foreign exchange or study or other travel abroad program to Minnesota students enrolled in a school district or charter school, a program provider annually must register with the secretary of state and provide the following information on a form developed by the secretary of state: the name, address, and telephone number of the program provider, its chief executive officer, and the person within the provider's organization who is primarily responsible for supervising programs within the state; the program provider's unified business identification number, if any; evidence of Council on Standards for International Educational Travel listing, if any; whether the program provider is exempt from federal income tax; a list of the program provider's placements in foreign countries for the previous school year including the number of Minnesota students placed, where Minnesota students were placed, and the length of their placement; the terms and limits of the medical and accident insurance available to cover participating students and the process for filing a claim; and the signatures of the program provider's chief executive officer and the person primarily responsible for supervising Minnesota students' placements in foreign countries. If the secretary of state determines the registration is complete, the secretary of state shall file the registration and the program provider is registered. Registration with the secretary of state must not be considered or represented as an endorsement of the program provider by the secretary of state. The secretary of state annually must publish on its Web site aggregated data under paragraph (c) received from the Department of Education.

(f) Program providers, annually by August 1, must provide the data required under paragraph (a), clauses (1) to (3), to the districts and charter schools with enrolled students participating in the provider's program.

(g) The school district, the charter school, the Department of Education, and their respective employees, when acting in their official capacity, are immune from civil and criminal liability with respect to all activities related to implementing this subdivision.

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

Sec. 2. Minnesota Statutes 2014, section 120B.022, subdivision 1a, is amended to read:

Subd. 1a. **Foreign language and culture; proficiency certificates.** (a) World languages teachers and other school staff should develop and implement world languages programs that acknowledge and reinforce the language proficiency and cultural awareness that non-English language speakers already possess, and encourage students' proficiency in multiple world languages. Programs under this section must encompass indigenous American Indian languages and cultures, among other world languages and cultures. The department shall consult with postsecondary institutions in developing related professional development opportunities for purposes of this section.

(b) Any Minnesota public, charter, or nonpublic school may award Minnesota World Language Proficiency Certificates ~~or Minnesota World Language Proficiency High Achievement Certificates~~, consistent with this subdivision.

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

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

Sec. 3. Minnesota Statutes 2014, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for the world's best workforce under sections 120B.11 and 124D.10, subdivision 8, paragraph (u), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize high school ~~graduates~~ students who demonstrate ~~level-3~~ an advanced low level or an intermediate high level of functional native proficiency in listening, speaking, reading, and writing on either ~~the Foreign Services Institute language assessments aligned with American Council on the Teaching of Foreign Languages' (ACTFL) proficiency tests guidelines~~ or on equivalent valid and reliable assessments in one or more languages in addition to English. American Sign Language is a language other than English for purposes of this subdivision and a world language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

(1) students must satisfactorily complete all required English language arts credits; and

(2) students ~~whose primary language is other than English~~ must demonstrate mastery of Minnesota's English language proficiency standards.

(c) Consistent with this subdivision, a high school graduate who demonstrates an intermediate high ACTFL level of functional native proficiency in one language in addition to English is eligible to receive the state bilingual gold seal. A high school graduate who demonstrates an intermediate high ACTFL level of functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school graduate who demonstrates an advanced low ACTFL level of functional proficiency in one language in addition to English is eligible to receive the state bilingual platinum seal. A high school graduate who demonstrates an advanced-low ACTFL level of functional proficiency in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

~~(d) School districts and charter schools, in consultation with regional centers of excellence under section 120B.115, must~~ may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English. Where valid and reliable assessments are unavailable, a school district or charter school may rely on ~~a licensed foreign language immersion teacher or a nonlicensed community expert under section 122A.25~~ evaluators trained in assessing under ACTFL proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language proficiency under this section. School districts and charter schools must maintain appropriate records to identify high school graduates eligible to receive the state bilingual or multilingual ~~seal~~ gold and platinum seals. The school district or charter school must affix the appropriate seal to the transcript of each high school graduate who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school graduate a fee for this seal.

(e) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

(f) A school district or charter school may award community service credit to a student who demonstrates ~~level 3~~ an intermediate high or advanced low ACTFL level of functional native proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) ~~The commissioner must develop a Web page for the electronic delivery of these seals.~~ The commissioner must list on the Web page those assessments that are equivalent to the Foreign Services Institute language aligned to ACTFL proficiency tests guidelines.

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must ~~award foreign language credits to a student who receives a state bilingual seal or a state multilingual seal under this subdivision and may establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may~~ award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate ~~or a Minnesota World Language Proficiency High Achievement Certificate~~ under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

EFFECTIVE DATE. This section is effective the day following final enactment and applies beginning with students graduating in the 2014-2015 school year who demonstrate the requisite language proficiency in grade 10, 11, or 12.

Sec. 4. Minnesota Statutes 2014, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners. The plan must be consistent with section 122A.06, subdivision 4, and include the following:

(1) a process to assess students' level of reading proficiency, and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency;

(2) a process to notify and involve parents, ~~intervene with;~~

(3) a description of how schools in the district will determine the proper reading intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level, ~~and identify and meet~~ and progress monitoring to provide information on the effectiveness of the intervention; and

(5) identification of staff development needs, including a program to meet those needs.

(b) The district must post its literacy plan on the official school district Web site.

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

Sec. 5. Minnesota Statutes 2014, section 120B.13, subdivision 4, is amended to read:

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2014, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** The commissioner shall report test results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance, including student homelessness, among other factors. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum. The commissioner shall disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under section 124D.10.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 7. Minnesota Statutes 2014, section 120B.31, subdivision 4, is amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, and statewide level. When collecting and reporting the performance data, the commissioner shall organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time, including student homelessness, among other demographic factors. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 8. Minnesota Statutes 2014, section 120B.36, subdivision 1, is amended to read:

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

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

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

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

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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 9. Minnesota Statutes 2014, section 122A.09, subdivision 4, is amended to read:

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

(b) The board must adopt rules requiring a person to pass a college-level skills examination in reading, writing, and mathematics or attain either ~~a composite score composed of the average of the~~ essentially equivalent passing scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or ~~an equivalent composite score composed of the average of the~~ essentially equivalent passing scores in critical reading, mathematics, and writing on the SAT recommended by the board, as a requirement for initial teacher licensure, except that the board may issue up to two temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the college-level skills exam or attained ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the college-level skills examination or attain ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT, including those for whom English is a second language. The requirement to pass a reading, writing, and mathematics college-level skills examination or attain ~~the requisite~~

~~composite score essentially equivalent passing scores~~ on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the time of licensure.

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

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. Among other components, teacher preparation programs are encouraged to provide a school-year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students ongoing mentorship, coaching and assessment, help to prepare a professional development plan, and structured learning experiences. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

(e) The board must adopt rules requiring candidates for initial licenses to pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

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

(g) The board must grant licenses to interns and to candidates for initial licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. All teacher candidates must have preparation in English language development and content instruction for English learners in order to be able to effectively instruct the English learners in their classrooms. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century, recognizes the importance of cultural and linguistic competencies, including the ability to teach and communicate in culturally competent and aware ways, and formalizes mentoring and induction for newly licensed teachers provided through a teacher support framework.

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

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require licensed teachers who are renewing a continuing license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

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

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

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

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

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics.

(o) The board must adopt rules by January 1, 2016, to license applicants under sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their qualifications through the board's recognition of a teaching license from another state in a similar content field, completion of a state-approved teacher preparation program, teaching experience as the teacher of record in a similar licensure field, depth of content knowledge, depth of content methods or general pedagogy, subject-specific professional development and contribution to the field, or classroom performance as determined by documented student growth on normed assessments or documented effectiveness on evaluations. The rules must adopt criteria for determining a "similar content field" and "similar licensure area."

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all candidates seeking initial teacher licensure, including those holding a temporary, one-year teaching license.

Sec. 10. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

Subd. 4a. **Teacher and administrator preparation and performance data; report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-approved teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include: student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average college-level skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year; a standard measure of the satisfaction of school principals or supervising teachers with the student teachers assigned to a school or supervising teacher; and information under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include: summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time program graduates in the preceding year needed to complete the program; the current number and percent of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year; the number of credits by graduate program that students in the preceding school year needed to complete to graduate; survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year; and information under paragraphs (f) and (g). Program reporting must be consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the following information for all teachers who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5; the licensure area in which the teacher primarily taught during the three-year evaluation cycle; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the following information for all probationary teachers in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year: the licensure areas in which the probationary teacher taught; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(f) School districts annually by October 1 must report to the Board of School Administrators the following information for all school principals and assistant principals who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the principal or assistant principal on the summative evaluation under section 123B.147, subdivision 3; and the principal preparation program providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School Administrators all probationary school principals and assistant principals in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 11. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

Subd. 11. **Teacher preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of Teaching shall report and publish on its Web site the cumulative summary results of at least three consecutive years of data reported to the board under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically reliable information and the results would not reveal personally identifiable information about an individual teacher, the board shall report the data by teacher preparation program.

Sec. 12. Minnesota Statutes 2014, section 122A.14, subdivision 3, is amended to read:

Subd. 3. **Rules for continuing education requirements.** The board shall adopt rules establishing continuing education requirements that promote continuous improvement and acquisition of new and relevant skills by school administrators. Continuing education programs, among other things, must provide school administrators with information and training about building coherent and effective English learner strategies that include relevant professional development, accountability for student progress, students' access to the general curriculum, and sufficient staff capacity to effect these strategies. ~~A retired school principal who serves as a substitute principal or assistant principal for the same person on a day-to-day basis for no more than 15 consecutive school days is not subject to continuing education requirements as a condition of serving as a substitute principal or assistant principal.~~

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

Sec. 13. Minnesota Statutes 2014, section 122A.14, is amended by adding a subdivision to read:

Subd. 10. **Principal preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of School Administrators shall report and publish on its Web site the cumulative summary results of three years of data reported to the board under section 122A.09, subdivision 4a, paragraph (c), for each principal preparation program.

Sec. 14. Minnesota Statutes 2014, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions, including those who meet the standards adopted under section 122A.09, subdivision 4, paragraph (o).

(b) The board must require a person to pass an examination of college-level skills in reading, writing, and mathematics or attain either a ~~composite score composed of the average of the~~ passing scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or ~~an equivalent composite score composed of the average of the~~ passing scores in critical reading, mathematics, and writing on the SAT

recommended by the board, before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to two temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the college-level skills exam or attained ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT. At the request of a school district or charter school employer, the Board of Teaching must grant an additional temporary one-year teaching license to an otherwise qualified teacher, employed by the district or charter school, who held a temporary one-year teaching license in the previous school year. The board must require colleges and universities offering a board approved teacher preparation program to make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the college-level skills examination or attain ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores, including those for whom English is a second language. The colleges and universities must make available assistance in the specific academic areas of candidates' deficiency. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on the college-level skills examination, or attain ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores, and who received a temporary license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the college-level skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, ~~the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score;~~ and the candidates who have not attained the ~~requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores or have not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity, and eligibility for financial aid.

(c) The Board of Teaching must grant continuing licenses only to those persons who ~~have met~~ meet board criteria for granting a continuing license, which includes passing the college-level skills examination in reading, writing, and mathematics or attaining ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores consistent with paragraph (b), and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are consistent with this paragraph. The requirement to pass a reading, writing, and mathematics college-level skills examination, or attain ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT ~~composite score~~ passing scores report to the board must not be more than ten years old at the time of licensure.

(d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. Among other requirements, teacher candidates must demonstrate the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language, and achievement in content areas in a regular classroom setting. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all candidates seeking initial teacher licensure, including those holding a temporary, one-year teaching license.

Sec. 15. Minnesota Statutes 2014, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;
- (4) failure to meet licensure requirements; or
- (5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352, interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, ~~or~~ possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the Court of Appeals or the Supreme Court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Board of Teaching is delegated the authority to suspend or revoke coaching licenses.

Sec. 16. Minnesota Statutes 2014, section 122A.21, subdivision 2, is amended to read:

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

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

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

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.

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

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all portfolios submitted to the Educator Licensing Division at the department after that date.

Sec. 17. Minnesota Statutes 2014, section 122A.23, is amended to read:

122A.23 APPLICANTS TRAINED IN OTHER STATES.

Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the Board of Teaching or the commissioner of education, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state. The diploma or degree must be granted by virtue of completing ~~a course coursework~~ in teacher preparation ~~essentially equivalent in content to that required by such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution~~ as preliminary to the granting of a diploma or a degree of the same rank and class. For purposes of granting a Minnesota teaching license to a person who receives a diploma or degree from a state-accredited, out-of-state teacher training program leading to licensure, the Board of Teaching must establish criteria and streamlined procedures by January 1, 2016, to recognize the experience and professional credentials of the person holding the out-of-state diploma or degree and allow that person to demonstrate to the board the person's qualifications for receiving a Minnesota teaching license based on performance measures the board adopts by January 1, 2016, under this section.

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs ~~(b)~~ (c) to ~~(e)~~ (f) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held ~~a similar an~~ out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes either (1) field-specific teaching methods and student teaching, or essentially equivalent experience, or (2) at least two years of teaching experience as the teacher of record in a similar licensure field.

(b) The Board of Teaching may issue a standard license on the basis of teaching experience and examination requirements only.

(c) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, and either (i) has completed field-specific teaching methods, student teaching, or equivalent experience, or (ii) has at least two years of teaching experience as the teacher of record in a similar licensure field.

(~~e~~) (d) The Board of Teaching, consistent with board rules and paragraph (~~h~~) (i), must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

(~~d~~) (e) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

(~~e~~) (f) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

(~~f~~) (g) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

(~~g~~) (h) The Board of Teaching ~~must not~~ may issue a license under this subdivision if the applicant has ~~not~~ attained the additional degrees, credentials, or licenses required in a particular licensure field and the applicant can demonstrate competency by obtaining qualifying scores on the college-level skills examination in reading, writing, and mathematics or demonstrating attainment of essentially equivalent passing scores on the ACT Plus Writing or SAT, and on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraphs (a) and (e).

(~~h~~) (i) The Board of Teaching must require an applicant for a teaching license or a temporary teaching license under this subdivision to pass a college-level skills examination in reading, writing, and mathematics or demonstrate, consistent with section 122A.09, subdivision 4, the applicant's attainment of either ~~the requisite~~

~~composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.

Subd. 3. **Teacher licensure agreements with adjoining states.** (a) Notwithstanding other law to the contrary, the Board of Teaching must enter into interstate agreements for teacher licensure to allow fully certified teachers from adjoining states to transfer their certification to Minnesota and receive a full, five-year continuing teaching license without having to complete any additional exams or other preparation requirements. The board must enter into these interstate agreements only after determining that the rigor of the teacher licensure or certification requirements in the adjoining state is commensurate with the rigor of Minnesota's teacher licensure requirements. The board may limit an interstate agreement to particular content fields or grade levels based on established priorities or identified shortages. This subdivision does not apply to out-of-state applicants holding only a provisional teaching license.

(b) The Board of Teaching is strongly encouraged to work with designated authorities in adjoining states to establish reciprocal interstate teacher licensure agreements under this section.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 18. Minnesota Statutes 2014, section 122A.245, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term license, which the board may renew one time for an additional one-year term, and to prepare for acquiring a standard license. The following entities are eligible to participate under this section:

(1) a school district ~~or~~, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose that forms a partnership with a college or university that has a board-approved alternative teacher preparation program; or

(2) a school district ~~or~~, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose after consulting with a college or university with a board-approved teacher preparation program, ~~that forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.~~

(b) ~~Before participating in this program~~ becoming a teacher of record, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria adopted by January 1, 2016;

(2) pass the reading, writing, and mathematics college-level skills examination under section 122A.09, subdivision 4, paragraph (b), or demonstrate attainment of either ACT Plus Writing or SAT essentially equivalent passing scores; and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year limited-term license to a person who enrolls in an alternative teacher preparation program. This limited term license is not a provisional license under section 122A.40 or 122A.41.

Sec. 19. Minnesota Statutes 2014, section 122A.245, subdivision 3, is amended to read:

Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section.

(b) The board must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means. "Nontraditional means" must include a portfolio of previous experiences, teaching experience, educator evaluations, certifications marking the completion of education training programs, and essentially equivalent demonstrations.

(c) The board must use nontraditional criteria to determine the qualifications of program instructors.

(d) The board may permit instructors to hold a baccalaureate degree only.

~~(b)~~ (e) If the Board of Teaching determines that a teacher preparation program under this section does not meet the requirements of this section, it may revoke its approval of the program after it notifies the program provider of any deficiencies and gives the program provider an opportunity to remedy the deficiencies.

Sec. 20. Minnesota Statutes 2014, section 122A.245, subdivision 7, is amended to read:

Subd. 7. **Standard license.** The Board of Teaching must issue a standard license to an otherwise qualified teacher candidate under this section who successfully performs throughout a program under this section, ~~successfully completes all required~~ obtains qualifying scores on applicable board-approved rigorous college-level skills, pedagogy, and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to the board qualifications for licensure under subdivision 6.

Sec. 21. Minnesota Statutes 2014, section 122A.25, is amended to read:

122A.25 NONLICENSED COMMUNITY EXPERTS; VARIANCE.

Subdivision 1. **Authorization.** Notwithstanding any law, Board of Teaching rule, or commissioner of education rule to the contrary, ~~the Board of Teaching may allow~~ school districts or charter schools ~~to~~ may hire nonlicensed community experts to teach in the public schools or charter schools on a limited basis according to this section after making efforts to obtain acceptable licensed teachers for the particular course or subject area, consistent with subdivision 2, clause (3). A school district or charter school must notify a student's parent or guardian before placing the student in the classroom of a nonlicensed community expert hired by the district or school to provide instruction under this section.

Subd. 2. **Applications Reports; criteria.** The school district or charter school shall apply report to the Board of Teaching ~~for approval when it uses a variance~~ to hire nonlicensed teaching personnel from the community. ~~In approving or disapproving the application for each community expert,~~ The board report shall consider include:

- (1) the qualifications of the community person whom the district or charter school ~~proposes to employ~~ employs;
- (2) the unique and compelling reasons for the need for a variance from the teacher licensure requirements;

(3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area or the charter school's efforts to obtain licensed teachers for the particular course or subject area;

(4) the amount of teaching time for which the community expert ~~would be~~ is hired;

(5) the extent to which the district or charter school ~~is utilizing~~ uses other nonlicensed community experts under this section;

(6) the nature of the community expert's ~~proposed~~ teaching responsibility; and

(7) the ~~proposed~~ level of compensation to be paid to the community expert.

Subd. 3. ~~**Approval of plan**~~ **Comment on variance.** The Board of Teaching ~~shall approve or disapprove an application~~ may comment on a district or charter school report under subdivision 2 within 60 days of receiving it ~~from a school~~ and the district or charter school must post the comment on its official Web site.

Subd. 4. **Background check.** A school district or charter school shall ~~provide confirmation~~ confirm to the Board of Teaching ~~with confirmation~~ that criminal background checks ~~have been~~ were completed for all nonlicensed community experts employed by the district or charter school ~~and approved by the Board of Teaching~~ under this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all nonlicensed community experts hired or sponsored after that date.

Sec. 22. Minnesota Statutes 2014, section 122A.30, is amended to read:

122A.30 EXEMPTION FOR TECHNICAL ~~COLLEGE~~ EDUCATION INSTRUCTORS.

Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program ~~not more than 61 hours per fiscal year~~ is exempt from a license requirement.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all technical education instructors hired after that date.

Sec. 23. Minnesota Statutes 2014, 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, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. 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 (1) as the school board shall see fit, or (2) consistent with the negotiated unrequested leave of absence plan in effect under subdivision 10. However, the board must give any such 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 whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least 120 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.

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

Sec. 24. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

Subd. 8. Development, evaluation, and peer coaching for continuing contract teachers. (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 5;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place a student in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place students in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that subject area and grade.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later, except paragraph (b), clause (7), is effective for the 2015-2016 school year and later.

Sec. 25. Minnesota Statutes 2014, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** (a) The school board and the exclusive bargaining representative of the teachers ~~may~~ must negotiate a plan, consistent with subdivision 8, 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 only a provisional license, other than a vocational education license, ~~contrary to the provisions of subdivision 11, paragraph (e) if required for the position,~~ or the reinstatement of a teacher holding only a provisional license, other than a vocational education license, ~~contrary to the provisions of subdivision 11, paragraph (e)~~ required for the position. The provisions of section 179A.16 do not apply for the purposes of this subdivision.

(b) Beginning in the 2017-2018 school year and later, and notwithstanding any law to the contrary, a school board must place teachers on unrequested leave of absence based on their subject matter licensure fields, most recent evaluation outcomes and effectiveness category or rating under subdivision 8, and other, locally determined criteria such as teacher seniority, and may include both probationary teachers and continuing contract teachers within an effectiveness category or rating. For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, a school board is not required to reassign a teacher with more seniority to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority. Nothing in this paragraph permits a school board to use a teacher's remuneration as a basis for making unrequested leave of absence decisions. Any executed employment contract between the school board and the exclusive representative of the teachers must contain the negotiated unrequested leave of absence plan. The school board must publish in a readily accessible format the unrequested leave of absence plan it negotiates under this paragraph.

(c) A teacher who receives notice of being placed on unrequested leave of absence under paragraph (b) may submit to the board, within 14 days of receiving the notice, a written request for a hearing before a neutral hearing officer to establish whether the district met the following teacher evaluation requirements under subdivision 8: if the teacher is a probationary teacher, all evaluations required under subdivision 5 were provided; a three-year professional review cycle was established for the teacher; any summative evaluation of the teacher was performed by a qualified and trained evaluator; a peer review evaluation occurred in any year when the teacher was not evaluated by a qualified and trained evaluator; and if the teacher did not meet professional teaching standards, a teacher improvement process with goals and timelines was established. The school board and the exclusive representative of the teachers must agree on a panel of people and a process to select the person to hear the matter. The hearing officer must issue a decision within 14 days of the request for the hearing. Nothing in this subdivision prevents a school board and the exclusive representative of the teachers from negotiating a different process for determining whether the teacher evaluation requirements listed in this subdivision were met.

(d) Evaluation outcomes and effectiveness categories under paragraph (b) must not be used to place a teacher on unrequested leave of absence if the principal evaluating the teacher is on an improvement plan under section 123B.147, subdivision 3, paragraph (b), clause (8).

(e) For purposes of this subdivision, a provisional license is a license to teach issued by the Board of Teaching under a waiver or variance.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to negotiated plans for unrequested leave of absence agreed to on or after that date.

Sec. 26. Minnesota Statutes 2014, 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 or reorganization of districts under chapter 123A. The unrequested leave is effective at the close of the school year.

(b) In placing teachers on unrequested leave in the 2014-2015 through 2016-2017 school years only, the board is governed by the ~~following~~ provisions: in this subdivision.

~~(a)~~ (c) 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)~~ (d) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, 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)~~ (e) Notwithstanding the provisions of paragraph ~~(b)~~ (d), 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 paragraph do not apply to vocational education licenses; required for the available positions.

~~(d)~~ (f) Notwithstanding paragraphs ~~(a), (b), and (c), (d), and (e),~~ 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 imposed by the provisions of paragraph ~~(c)~~ (e) 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.

~~(e)~~ (g) For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, nothing in this subdivision requires a school board to reassign a teacher to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority.

(h) 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)~~ (i) 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)~~ (j) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave.

~~(h)~~ (k) 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)~~ (l) Consistent with subdivision 10, the unrequested leave of absence of a teacher who is categorized as effective or better under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate terminates. The teacher's right to reinstatement ~~shall~~ also ~~terminate~~ terminates if the teacher fails to file with the board by April 1 of ~~any~~ each year a written statement requesting reinstatement.

~~(m)~~ Consistent with subdivision 10, the unrequested leave of absence of a teacher who is categorized as ineffective or less under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated continues for the following school year only, after which the teacher's right to reinstatement terminates. The teacher's right to reinstatement also terminates if the teacher fails to file with the board by April 1 in that following school year a written statement requesting reinstatement.

~~(j)~~ (n) 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)~~ (o) 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 the day following final enactment.

Sec. 27. Minnesota Statutes 2014, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The

board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract 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~~ as defined in section 609.185; sex trafficking in the first degree under section 609.322, subdivision 1; sex trafficking in the second degree under section 609.322, subdivision 1a; engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3; solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352; interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor; using minors in a sexual performance under section 617.246; possessing pornographic works involving a minor under section 617.247; or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 28. Minnesota Statutes 2014, 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 (1) as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit, or (2) consistent with the negotiated plan for discontinuing or terminating teachers in effect under subdivision 14. The school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year for a teacher performing

services during that school year; the first evaluation must occur within the first 90 days of teaching service. 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 whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(d) A probationary teacher must complete at least 120 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.

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

Sec. 29. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring and induction programs;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place a student in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place students in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that subject area and grade.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later, except paragraph (b), clause (7), is effective for the 2015-2016 school year and later.

Sec. 30. Minnesota Statutes 2014, 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, consistent with subdivision 5, paragraph (b);
- (4) affliction with a 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.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

(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~~, as defined in section 609.185; sex trafficking in the first degree under section 609.322, subdivision 1; sex trafficking in the second degree under section 609.322, subdivision 1a; engaging in hiring or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1; sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3; solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352; interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor; using minors in a sexual performance under section 617.246; possessing pornographic works involving a minor under section 617.247; or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment

determinations identified in this paragraph. Unless restricted by federal or state data practices law or by the terms of a collective bargaining agreement, the responsible authority for a school district must disseminate to another school district private personnel data on a current or former teacher employee or contractor of the district, including the results of background investigations, if the requesting school district seeks the information because the subject of the data has applied for employment with the requesting school district.

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

Sec. 31. Minnesota Statutes 2014, 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 the 2014-2015 through the 2016-2017 school years, in making such discontinuance, teachers must receive first consideration for other positions in the district for which that teacher is qualified and must be discontinued in any department in the inverse order in which they were employed, unless,

(b) Beginning in the 2017-2018 school year and later, a board and the exclusive representative of teachers in the district must negotiate a plan providing otherwise, consistent with subdivision 5, for discontinuing and terminating teachers under this subdivision based on their subject matter licensure fields, most recent evaluation outcomes and effectiveness category or rating under subdivision 5, and other, locally determined criteria such as teacher seniority, and may include both probationary teachers and continuing contract teachers within an effectiveness category or rating. For purposes of discharging, demoting, or recalling a teacher whose services are discontinued or terminated under this subdivision, a school board is not required to reassign a teacher with more seniority to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority. Nothing in this paragraph permits a school board to use a teacher's remuneration as a basis for discontinuing or terminating a teacher. Any executed employment contract between the school board and the exclusive representative of the teachers must contain the negotiated plan for discontinuing or terminating teachers. The school board must publish in a readily accessible format any plan it negotiates for discontinuing or terminating teachers under this paragraph.

(c) A teacher who receives notice of discontinuance or termination under paragraph (b) may submit to the board, within 14 days of receiving the notice, a written request for a hearing before a neutral hearing officer to establish whether the district met the following teacher evaluation requirements under subdivision 5: if the teacher is a probationary teacher, all evaluations required under subdivision 2 were provided; a three-year professional review cycle was established for the teacher; any summative evaluation of the teacher was performed by a qualified and trained evaluator; a peer review evaluation occurred in any year when the teacher was not evaluated by a qualified and trained evaluator; and if the teacher did not meet professional teaching standards, a teacher improvement process with goals and timelines was established. The school board and the exclusive representative of the teachers must agree on a panel of people and a process to select the person to hear the matter. The hearing officer must issue a decision within 14 days of the request for the hearing. Nothing in this subdivision prevents a school board and the exclusive representative of the teachers from negotiating a different process for determining whether the teacher evaluation requirements listed in this subdivision were met.

~~(b)~~ (d) Notwithstanding the provisions of clause paragraph (a), for the 2014-2015 through 2016-2017 school years, 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 terminating the 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 paragraph do not apply to vocational education licenses.

(e) (e) Notwithstanding the provisions of ~~clause paragraph~~ (a), for the 2014-2015 through 2016-2017 school years, 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.

(f) Evaluation outcomes and effectiveness categories under paragraph (b) must not be used to place a teacher on unrequested leave of absence if the principal evaluating the teacher is on an improvement plan under section 123B.147, subdivision 3, paragraph (b), clause (8).

EFFECTIVE DATE. This section is effective the day following final enactment and applies to negotiated plans for discontinuing or terminating teachers agreed to on or after that date.

Sec. 32. Minnesota Statutes 2014, 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, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

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

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

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

(4) provide for participation in job-embedded learning opportunities such as professional learning communities 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.

(c) The alternative teacher professional pay system may:

(1) include a hiring bonus or other added compensation for teachers who are identified as effective or highly effective under the local teacher professional review cycle and work in a hard-to-fill position or in a hard-to-staff school such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students;

(2) include incentives for teachers to obtain a master's degree or other advanced certification in their content field of licensure, pursue the training or education necessary to obtain an additional licensure in shortage areas identified by the district or charter school, or help fund a "grow your own" new teacher initiative; and

(3) be structured around teacher-powered site-governed schools allowed under section 123B.045.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to agreements approved or renegotiated after that date.

Sec. 33. Minnesota Statutes 2014, section 122A.60, is amended to read:

122A.60 STAFF DEVELOPMENT PROGRAM.

Subdivision 1. **Staff development committee.** (a) 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;~~

(1) teacher development and evaluation plans under ~~this section 122A.40, subdivision 8, or 122A.41, subdivision 5;~~

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) in-service education programs under section 120B.22, subdivision 2; and

(4) other staff development needs.

(b) 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:

(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, including to accommodate the delivery of digital and blended learning and curriculum and engage students with technology;

(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;

(7) align with the plan of the district or site for an alternative teacher professional pay system;

(8) provide teachers of English learners, including English as a second language and content teachers, with differentiated instructional strategies critical for ensuring students' long-term academic success; the means to effectively use assessment data on the academic literacy, oral academic language, and English language development of English learners; and skills to support native and English language development across the curriculum; and

(9) provide opportunities for staff to learn about current workforce trends, the connections between workforce trends and postsecondary education, and training options, including career and technical education options.

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.

Subd. 2. **Contents of plan.** The plan must include the staff development outcomes under section 122A.40, subdivision 8, or 122A.41, subdivision 5, and section 123B.147, subdivision 3, the means to achieve the outcomes, and procedures for evaluating progress at each school site toward meeting education and staff development 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, consistent with section 120B.125;

(4) ensure specialized preparation and learning about issues related to teaching English learners and students with special needs by focusing on long-term systemic efforts to improve educational services and opportunities and raise student achievement; 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, consistent with section 122A.40, subdivision 8, or 122A.41, subdivision 5, for developing and evaluating teachers and for improving student achievement outcomes and with section 123B.147, subdivision 3, for strengthening principals' capacity in areas of instruction, supervision, evaluation, and teacher development. 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~~ achieving the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum, including areas of regular academic and applied and experiential learning, by using research-based best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, English learners, and gifted children, within the regular classroom, applied and experiential learning settings, and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, linguistically, 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;

(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;

(6) effectively deliver digital and blended learning and curriculum and engage students with technology; and

(7) 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 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 2016-2017 school year and later.

Sec. 34. Minnesota Statutes 2014, 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:

(1) teacher development and evaluation under sections 122A.40, subdivision 8, or 122A.41, subdivision 5;

(2) principal development and evaluation under section 123B.147, subdivision 3;

(3) professional development under section 122A.60; and

(4) in-service education for programs under section 120B.22, subdivision 2; ,

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

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

Sec. 35. Minnesota Statutes 2014, section 122A.69, is amended to read:

122A.69 PRACTICE OR STUDENT TEACHERS.

The Board of Teaching may, by agreements with teacher ~~preparing~~ preparation institutions, arrange for classroom experience in the district for practice or student teachers who have completed ~~not less than~~ at least two years of an approved teacher ~~education~~ preparation program. Such practice and student teachers must be ~~provided with appropriate supervision~~ appropriately supervised by a fully qualified teacher under rules ~~promulgated~~ adopted by the board. A practice or student teacher must be placed with a cooperating licensed teacher who has at least three years of teaching experience and is not in the improvement process under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12). Practice and student teachers are ~~deemed~~ employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district employees ~~in accordance with~~ under section 123B.23; and legal counsel ~~in accordance with the provisions of~~ under section 123B.25.

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

Sec. 36. Minnesota Statutes 2014, section 122A.70, subdivision 1, is amended to read:

Subdivision 1. **Teacher mentoring programs.** ~~(a) School districts are encouraged to~~ may develop ~~teacher mentoring and implement~~ programs for mentoring teachers new to the profession or district, ~~including and may, at a minimum, include in the mentoring program~~ teaching residents, teachers of color, teachers with special needs, ~~or~~ and experienced teachers under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12), in need of peer coaching.

(b) Teacher mentoring programs must support districts' teacher evaluation and peer review processes under section 122A.40, subdivision 8, or 122A.41, subdivision 5. A district may use staff development revenue under sections 122A.60 and 122A.61 or another funding source, including achievement gap elimination revenue, alternative teacher pay, or compensatory revenue, to pay a stipend to a mentor who may be a district employee or a third-party contractor.

Sec. 37. Minnesota Statutes 2014, section 123A.75, subdivision 1, is amended to read:

Subdivision 1. **Teacher assignment.** (a) As of the effective date of a consolidation in which a district is divided or the dissolution of a district and its attachment to two or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the most effective teacher under section 122A.40, subdivision 8, with the greatest seniority, and the remaining teachers must be alternately assigned to each district from most to least effective and with most to least seniority within each category or rating of effectiveness until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the board and the exclusive representative of teachers in each district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

(c) Notwithstanding any other law to the contrary, the provisions of this section apply only to the extent they are consistent with section 122A.40, subdivisions 8, 10, and 11.

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

Sec. 38. Minnesota Statutes 2014, section 123B.045, is amended to read:

123B.045 DISTRICT-CREATED SITE-GOVERNED, TEACHER-POWERED SCHOOLS.

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

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

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

(d) Upon approval of the proposal, an agreement between the district and the site council shall be developed identifying the powers and duties delegated to the site and outlining the details of the proposal including the provisions of subdivisions 2, 3, and 5. Any powers or duties not specifically delegated to the school site in the agreement remains with the school board.

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

(1) to create the site-governing, teacher-powered council of the school. The council shall include teachers, administrators, parents, students if appropriate, community members, and other representatives of the community as determined by the site-governing, teacher-powered council. Teachers may comprise a majority of the

site-governing, teacher-powered council at the option of a majority of the teachers at the site. The number of members on the site-governing, teacher-powered council and the composition shall be included in the proposal approved by the school board;

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

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

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

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

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

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

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

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

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

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

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

(c) As part of the agreement, the district may provide specific services for the site and may specify the amount to be paid for each service and retain the revenues for that amount. The formula or procedures for determining the amount of revenue to be allocated to the site each year shall be consistent with this subdivision and incorporated in

the site budget annually following a timeline and process that is included in the agreement with the school board. The site is responsible for allocating revenue for all staff at the site and for the other provisions of the agreement with the district board.

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

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

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

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

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

(3) other performance provisions as agreed to.

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

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

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

(2) violations of law; or

(3) other good cause shown.

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

Sec. 39. Minnesota Statutes 2014, section 124D.09, subdivision 5, is amended to read:

Subd. 5. Authorization; notification. Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if (1) after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the course and the school district and the eligible postsecondary

institution providing the course agree to the student's enrollment or (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 40. Minnesota Statutes 2014, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 41. Minnesota Statutes 2014, section 124D.09, subdivision 8, is amended to read:

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

Sec. 42. Minnesota Statutes 2014, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on ~~educational and programmatic grounds only except,~~

~~notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.~~

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil shall not be displaced by another student.

~~(b)~~ (d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

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

Sec. 43. Minnesota Statutes 2014, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits.** A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10. Consistent with section 135A.101, subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

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

Sec. 44. Minnesota Statutes 2014, section 124D.091, subdivision 1, is amended to read:

Subdivision 1. **Accreditation.** To establish a uniform standard by which concurrent enrollment courses and professional development activities may be measured, postsecondary institutions ~~are encouraged to apply for accreditation by~~ must adopt and implement the National Alliance of Concurrent Enrollment Partnership's program standards and required evidence for accreditation by the 2020-2021 school year and later.

Sec. 45. Minnesota Statutes 2014, section 124D.73, subdivision 3, is amended to read:

Subd. 3. ~~Advisory task force~~ **Tribal Nations Education Committee.** ~~"Advisory task force"~~ "Tribal Nations Education Committee" means the ~~state advisory task force~~ committee established through tribal directive that the commissioner consults with on American Indian education programs, policy, and all matters related to educating Minnesota's American Indian students.

Sec. 46. Minnesota Statutes 2014, section 124D.73, subdivision 4, is amended to read:

Subd. 4. **Participating school; American Indian school.** "Participating school" and "American Indian school" mean a school that:

- (1) is not operated by a school district; and
- (2) is eligible for a grant under ~~federal Title IV of the Indian~~ VII of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 47. Minnesota Statutes 2014, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. **Program described.** American Indian education programs are programs in public elementary and secondary schools, nonsectarian nonpublic, community, tribal, charter, or alternative schools enrolling American Indian children designed to:

- (1) support postsecondary preparation for pupils;
- (2) support the academic achievement of American Indian students ~~with identified focus to improve reading and~~ mathematic skills;
- (3) make the curriculum ~~more~~ relevant to the needs, interests, and cultural heritage of American Indian pupils;
- (4) provide positive reinforcement of the self-image of American Indian pupils;

(5) develop intercultural awareness among pupils, parents, and staff; and

(6) supplement, not supplant, state and federal educational and cocurricular programs.

~~Program components may include: development of support components for students in the areas of~~ services designed to increase completion and graduation rates of American Indian students must emphasize academic achievement, retention, and attendance; development of support ~~components~~ services for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including ~~experimentation with~~ innovative teaching approaches and evaluation of methods of relating to American Indian pupils; provision of ~~personal and vocational~~ career counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and supplemental instruction in American Indian language, literature, history, and culture. Districts offering programs may make contracts for the provision of program ~~components~~ services by establishing cooperative liaisons with tribal programs and American Indian social service agencies. These programs may also be provided as components of early childhood and family education programs.

Sec. 48. Minnesota Statutes 2014, section 124D.74, subdivision 3, is amended to read:

Subd. 3. **Enrollment of other children; shared time enrollment.** To the extent it is economically feasible, a district or participating school may make provision for the voluntary enrollment of non-American Indian children in the instructional components of an American Indian education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority must be given to American Indian children. American Indian children and other children enrolled in an existing nonpublic school system may be enrolled on a shared time basis in all academic, targeted services, and American Indian education programs.

Sec. 49. Minnesota Statutes 2014, section 124D.74, subdivision 6, is amended to read:

Subd. 6. **Nonverbal courses and extracurricular activities.** In predominantly nonverbal subjects, such as art, music, and physical education, American Indian children shall participate fully and on an equal basis with their ~~contemporaries~~ peers in school classes provided for these subjects. Every school district or participating school shall ensure to children enrolled in American Indian education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the American Indian children, or which are otherwise necessary to accomplish the objectives described in sections 124D.71 to 124D.82.

Sec. 50. Minnesota Statutes 2014, section 124D.75, subdivision 1, is amended to read:

Subdivision 1. **American Indian language and culture education licenses.** The Board of Teaching, in consultation with the Tribal Nations Education Committee, must grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board must grant licenses to persons who present satisfactory evidence that they:

(1) possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(2) possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, tribal resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district, participating school, or an American Indian school.

Sec. 51. Minnesota Statutes 2014, section 124D.75, subdivision 3, is amended to read:

Subd. 3. **Resolution or letter.** All persons applying for a license under this section must submit to the board a resolution or letter of support signed by an American Indian tribal government ~~or its designee~~. All persons holding a license under this section ~~on July 1, 1995~~, must have on file or file with the board a resolution or letter of support signed by a tribal government ~~or its designee by January 1, 1996, or the next renewal date of the license thereafter~~.

Sec. 52. Minnesota Statutes 2014, section 124D.75, subdivision 9, is amended to read:

Subd. 9. **Affirmative efforts in hiring.** In hiring for all positions in these programs, school districts and participating schools shall give preference to and make affirmative efforts to seek, recruit, and employ persons who share the culture of the American Indian children who are enrolled in the program. The district or participating school ~~shall~~ must provide procedures for the involvement of the parent advisory committees in ~~designing the procedures for~~ the recruitment, screening and selection of applicants. This subdivision shall not be construed to limit the school board's authority to hire and discharge personnel.

Sec. 53. Minnesota Statutes 2014, section 124D.76, is amended to read:

124D.76 TEACHERS AIDES; COMMUNITY COORDINATORS, INDIAN HOME/SCHOOL LIAISONS, PARAPROFESSIONALS.

In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 124D.71 to 124D.82 may employ ~~teachers' aides~~ paraprofessionals. ~~Teachers' aides~~ Paraprofessionals must not be employed for the purpose of supplanting American Indian language and culture education teachers.

Any district or participating school which conducts American Indian education programs pursuant to sections 124D.71 to 124D.82 must employ one or more full-time or part-time community coordinators or Indian home/school liaisons if there are 100 or more American Indian students enrolled in the ~~program~~ district. Community coordinators shall promote communication understanding, and cooperation between the schools and the community and shall visit the homes of children who are to be enrolled in an American Indian education program in order to convey information about the program.

Sec. 54. Minnesota Statutes 2014, section 124D.78, is amended to read:

124D.78 PARENT AND COMMUNITY PARTICIPATION.

Subdivision 1. **Parent committee.** School boards and American Indian schools must provide for the maximum involvement of parents of children enrolled in education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the board of a school district in which there are ten or more American Indian ~~children~~ students enrolled and each American Indian school must establish ~~a~~ an American Indian education parent advisory committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee may serve as the committee required by this section and is subject to, at least, the requirements of this subdivision and subdivision 2.

The American Indian education parent advisory committee must develop its recommendations in consultation with the curriculum advisory committee required by section 120B.11, subdivision 3. This committee must afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. ~~The committee must also address the need for adult education programs for American Indian people in the community.~~ The school board or American Indian school must ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of ~~children~~ students served by the programs.

Subd. 2. **Resolution of concurrence.** Prior to ~~December~~ March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian ~~children~~ students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations shall be submitted with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Subd. 3. **Membership.** The American Indian education parent advisory committee must be composed of parents of children eligible to be enrolled in American Indian education programs; secondary students eligible to be served; American Indian language and culture education teachers and ~~aides~~ paraprofessionals; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups. A majority of each committee must be parents of children enrolled or eligible to be enrolled in the programs. The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the programs.

Subd. 4. **Alternate committee.** If the organizational membership or the board of directors of an American Indian school consists of parents of children attending the school, that membership or board may serve also as the American Indian education parent advisory committee.

Sec. 55. Minnesota Statutes 2014, section 124D.79, subdivision 1, is amended to read:

Subdivision 1. **American Indian community involvement.** The commissioner must provide for the maximum involvement of the ~~state committees on American Indian education~~ Tribal Nations Education Committee, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, American Indian teachers, ~~teachers' aides~~ paraprofessionals, representatives of community groups, and persons knowledgeable in the field of American Indian education, in the formulation of policy and procedures relating to the administration of sections 124D.71 to 124D.82. The commissioner must annually hold a field hearing on Indian education to gather input from American Indian educators, parents, and students on the state of American Indian education in Minnesota. Results of the hearing must be made available to all 11 tribal nations for review and comment.

Sec. 56. Minnesota Statutes 2014, section 124D.79, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The commissioner shall provide technical assistance to districts, schools and postsecondary institutions for preservice and in-service training for teachers, American Indian education teachers and ~~teacher's aides~~, paraprofessionals specifically designed to implement culturally responsive teaching methods, culturally based curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 57. Minnesota Statutes 2014, section 124D.791, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** The Indian education director shall:

(1) serve as the liaison for the department with the Tribal Nations Education Committee, the 11 ~~reservations~~ tribal communities in Minnesota, the Minnesota Chippewa tribe, and the Minnesota Indian Affairs Council, ~~and the Urban Advisory Council~~;

(2) evaluate the state of American Indian education in Minnesota;

(3) engage the tribal bodies, community groups, parents of children eligible to be served by American Indian education programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, the tribally controlled schools, and other persons knowledgeable in the field of American Indian education and seek their advice on policies that can improve the quality of American Indian education;

(4) advise the commissioner on American Indian education issues, including:

(i) issues facing American Indian students;

(ii) policies for American Indian education;

(iii) awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian ~~postsecondary preparation~~ education grants to school districts; and

(iv) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people;

(5) propose to the commissioner legislative changes that will improve the quality of American Indian education;

(6) develop a strategic plan and a long-term framework for American Indian education, in conjunction with the Minnesota Indian Affairs Council, that is updated every five years and implemented by the commissioner, with goals to:

(i) increase American Indian student achievement, including increased levels of proficiency and growth on statewide accountability assessments;

(ii) increase the number of American Indian teachers in public schools;

(iii) close the achievement gap between American Indian students and their more advantaged peers;

(iv) increase the statewide graduation rate for American Indian students; and

(v) increase American Indian student placement in postsecondary programs and the workforce; and

(7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

Sec. 58. Minnesota Statutes 2014, section 124D.861, is amended to read:

124D.861 ACHIEVEMENT AND INTEGRATION FOR MINNESOTA.

Subdivision 1. **Program to close the academic achievement and opportunity gap; revenue uses.** (a) The "Achievement and Integration for Minnesota" program is established to ~~pursue~~ improve academic achievement and promote racial and economic integration and increase student academic achievement, to create equitable educational opportunities and outcomes, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds in Minnesota public schools.

(b) For purposes of this section and section 124D.862, "eligible district" means a district required to submit a plan to the commissioner under Minnesota Rules governing school desegregation and integration, or be a member of a multidistrict integration collaborative that files a plan with the commissioner and "hard to staff" classroom or school means a classroom or school designated as such by the school board because of the difficulty of attracting or retaining qualified and effective teachers at that site.

(c) Eligible districts must use the revenue aid under section 124D.862 to ~~pursue~~ improve the academic achievement ~~and racial and economic integration through:~~ (1) ~~integrated learning environments that prepare of~~ all students ~~to be effective citizens and enhance social cohesion;~~ (2) ~~policies and curricula and trained instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including through magnet schools, innovative, research based instruction, differentiated instruction, and targeted interventions to improve achievement; and~~ (3) ~~rigorous career and college readiness programs for underserved student populations, consistent with section 120B.30, subdivision 1; integrated learning environments to increase student academic achievement; cultural fluency, competency, and interaction; graduation and educational attainment rates; and parent involvement.~~ and eliminate disparities in academic achievement among student subgroups through:

(1) school choice programs, innovative academic instruction, and best teaching practices;

(2) opportunity programs proven to increase students' access to academic rigor and focused on college and career readiness;

(3) family engagement programs that promote involvement in students' academic life and success;

(4) extended day and extended week programs;

(5) summer school academies;

(6) before and after school academic programs;

(7) prekindergarten or other early learning programs; and

(8) other programs proven through data to improve students' academic achievement.

(d) Eligible districts may use the levy under section 124D.862 to promote racial and academic integration through:

(1) integrated learning environments that prepare all students to be effective citizens and enhance social cohesion, cultural fluency, competency, and interaction;

(2) policies, curricula, and trained instructors, administrators, school counselors, and other advocates to support and enhance integrated learning environments under this section, including, but not limited to, through magnet schools, before and after school programming, and summer activities and academies; or

(3) other locally developed, innovative programs or opportunities.

(e) Eligible districts may use the aid and the levy under section 124D.862 to increase teacher and administrator diversity through recruitment and retention policies and to provide incentives for teachers to teach in hard-to-staff schools or classrooms.

Notwithstanding any law to the contrary, a cash incentive may be paid directly to a teacher teaching in a hard-to-staff school or classroom.

Subd. 2. **Plan implementation; components.** (a) The school board of each eligible district must formally develop and implement a ~~long-term comprehensive plan under this section~~ consistent with subdivision 1, containing specific district and school goals for eliminating the disparities in students' academic achievement and promoting students' academic success. The plan ~~must~~ may be incorporated into the district's comprehensive strategic plan under section 120B.11 and may include students enrolled in alternative learning centers under section 126C.05, subdivision 15, and contract alternative programs under section 124D.69. ~~Plan components may include: innovative and integrated prekindergarten through grade 12 learning environments that offer students school enrollment choices; family engagement initiatives that involve families in their students' academic life and success; professional development opportunities for teachers and administrators focused on improving the academic achievement of all students; increased programmatic opportunities focused on rigor and college and career readiness for underserved students, including students enrolled in alternative learning centers under section 123A.05, public alternative programs under section 126C.05, subdivision 15, and contract alternative programs under section 124D.69, among other underserved students; or recruitment and retention of teachers and administrators with diverse racial and ethnic backgrounds. The plan must contain goals for: (1) reducing the disparities in academic achievement among all students and specific categories of students under section 120B.35, subdivision 3, paragraph (b), excluding the student categories of gender, disability, and English learners; and (2) increasing racial and economic integration in schools and districts. The board may also develop and implement an integration plan to increase racial and economic integration in schools and districts.~~

(b) Among other requirements, an eligible district must implement ~~effective~~ cost-effective, research-based interventions that include formative assessment practices to ~~reduce~~ eliminate the disparities in student academic performance among the specific achievement between the highest and lowest performing racial and ethnic categories of students as measured by student ~~progress and growth~~ demonstration of proficiency and growth on state reading and math assessments ~~and as aligned with section 120B.11.~~

(c) Eligible districts ~~must create~~ may collaborate in creating efficiencies and ~~eliminate~~ eliminating duplicative programs and services under this section, ~~which may include forming collaborations or a single, seven-county metropolitan area-wide partnership of eligible districts for this purpose.~~

Subd. 3. **Public engagement; progress report and biennial report; budget process.** (a) To receive revenue aid under section 124D.862, the school board of an eligible district must ~~incorporate school and district plan components under section 120B.11 into the district's comprehensive integration plan.~~

~~(b) A school board must~~ hold at least one formal annual hearing to publicly report its progress in realizing the goals identified in its plan. At the hearing, the board must provide the public with longitudinal data demonstrating district and school progress in ~~reducing the disparities in student~~ eliminating the academic performance among the specified categories of students and in realizing racial and economic integration achievement gap, consistent with the district plan and the measures in paragraph ~~(a)~~ (b). At least 30 days before the formal hearing under this

paragraph, the board must post its plan, its preliminary analysis, relevant student performance data, and other longitudinal data on the district's Web site. A district must hold one hearing to meet the hearing requirements of both this section and section 120B.11. The board must also include in this hearing a discussion of its integration plan.

~~(e)~~ (b) The district must submit a detailed budget to the commissioner by March 15 in the year before it implements its achievement gap elimination plan. If a district develops an integration plan, the district must also submit a budget for its integration activities at the same time. The commissioner must review, and approve or disapprove the district's ~~budget budgets~~ by June 1 of that year.

~~(d)~~ (c) The longitudinal data required under paragraph (a) must be based on student growth and progress in reading and mathematics, as defined under section 120B.30, subdivision 1, ~~and~~ student performance data and achievement reports from fully adaptive reading and mathematics assessments for grades 3 through 7 8, and high school reading and math tests beginning in the 2015-2016 school year under section 120B.30, subdivision 1a, and either (i) school enrollment choices, (ii) the number of world language proficiency or high achievement certificates awarded under section 120B.022, subdivision 1a, or the number of state bilingual and multilingual seals issued under section 120B.022, subdivision 1b, or (iii) school safety and students' engagement and connection at school under section 120B.35, subdivision 3, paragraph (d). ~~Additional longitudinal data may be based on: students' progress toward career and college readiness under section 120B.30, subdivision 1; or rigorous coursework completed under section 120B.35, subdivision 3, paragraph (c), clause (2).~~

Subd. 4. **Timeline and implementation.** A board must approve its achievement gap elimination plan and submit it to the department by March 15. If a district that is part of a multidistrict council applies for revenue for a plan, the individual district shall not receive revenue aid unless it ratifies the plan adopted by the multidistrict council. Each plan has a term of three years. ~~For the 2014-2015 school year, an eligible district under this section must submit its plan to the commissioner for review by March 15, 2014. For the 2013-2014 school year only, an eligible district may continue to implement its current plan until the commissioner approves a new plan under this section.~~

Subd. 5. **Evaluation.** The commissioner must evaluate the efficacy of district plans in reducing eliminating the disparities in student academic ~~performance~~ achievement among the specified categories of students within the district, and where applicable, in realizing racial and economic integration. The commissioner shall report evaluation results to the kindergarten through grade 12 education committees of the legislature by February 1 of every ~~odd-numbered~~ fourth year beginning February 1, 2017.

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

Sec. 59. Minnesota Statutes 2014, section 124D.862, is amended to read:

124D.862 ACHIEVEMENT GAP ELIMINATION REVENUE AND INTEGRATION REVENUE LEVY.

Subdivision 1. **Initial achievement ~~and integration~~ gap elimination revenue.** ~~(a)~~ An eligible district's initial achievement ~~and integration~~ gap elimination revenue equals the lesser of ~~100.3~~ 100.2 percent of the district's expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

~~(b) In each year, 0.3 percent of each district's initial achievement and integration revenue is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.~~

Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive revenue equals \$10 per adjusted pupil unit. A district's incentive revenue equals the lesser of the maximum incentive revenue or the district's expenditures for implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan under the budget approved by the commissioner under section 124D.861, subdivision 3, ~~paragraph (c)~~.

Subd. 3. **Achievement ~~and integration~~ gap elimination revenue.** Achievement ~~and integration~~ gap elimination revenue equals the sum of initial achievement ~~and integration~~ gap elimination revenue and incentive revenue.

Subd. 4. **Achievement ~~and integration~~ gap elimination aid.** For ~~fiscal year 2015 and later~~, A district's achievement ~~and integration~~ gap elimination aid equals the lesser of (1) \$350 times the district's adjusted pupil units for that year; (2) 70 percent of its achievement ~~and integration~~ gap elimination revenue; or (3) the district's actual expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3.

Subd. 5. **Achievement ~~and Integration~~ levy.** A district's achievement ~~and integration~~ levy equals the sum of: (1) 30 percent of its achievement ~~and integration~~ gap elimination revenue times 30 percent under subdivision 3; and (2) the greater of zero or the difference between the district's initial integration revenue under clause (1) and an amount equal to \$350 times the district's adjusted pupil units for that year. For Special School District No. 1, Minneapolis; Independent School District No. 625, St. Paul; and Independent School District No. 709, Duluth, 100 percent of the levy certified under this subdivision is shifted into the prior calendar year for purposes of sections 123B.75, subdivision 5, and 127A.441.

Subd. 6. **Revenue uses.** (a) At least ~~80~~ 90 percent of a district's achievement ~~and integration~~ revenue gap elimination aid received under this section must be used for ~~innovative and integrated learning environments, school enrollment choices, family engagement activities, academic programming consistent with the plan under section 124D.861, subdivision 1,~~ and other approved programs providing direct instructional services to students.

(b) Up to ~~20~~ five percent of the revenue aid may be used for professional development and staff development activities and placement services.

(c) No more than ~~ten~~ five percent of the total amount of revenue aid may be spent on administrative services.

Subd. 7. **Revenue reserved.** ~~Integration revenue~~ Achievement gap elimination aid received under this section must be reserved and used only for the programs authorized in subdivision ~~2~~ 6. The integration levy under subdivision 5, clause (1), must be reserved and used only for the purposes of the district's integration plan adopted under section 124D.861, subdivision 1.

Subd. 8. **Commissioner authority to withhold revenue.** (a) The commissioner must review the results of each district's ~~integration and~~ achievement gap elimination plan by August 1 at the end of the third year of implementing the plan and determine if the district met its goals.

(b) If a district met its goals, it may submit a new three-year plan to the commissioner for review.

(c) If a district has not met its goals, the commissioner must:

(1) develop a district improvement plan and timeline, in consultation with the affected district, that identifies strategies and practices designed to meet the district's goals under this section and section 120B.11; and

(2) use up to 20 percent of the district's ~~integration revenue~~ achievement gap elimination aid, until the district's goals are reached, to implement the improvement plan.

Subd. 9. **Department funding.** For fiscal years 2016 and later, an amount equal to 0.2 percent of the total expenditures under section 124D.862 for fiscal year 2015 is transferred to the department for oversight and accountability activities required under this section and section 124D.861.

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

Sec. 60. Minnesota Statutes 2014, section 135A.101, is amended by adding a subdivision to read:

Subd. 3. **Minnesota transfer curriculum.** Notwithstanding section 135A.08 or other law to the contrary, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

EFFECTIVE DATE. This section is effective August 1, 2015.

Sec. 61. Minnesota Statutes 2014, section 179A.20, is amended by adding a subdivision to read:

Subd. 4a. **Unrequested leave of absence for teachers.** A school board and the exclusive representative of the teachers may not execute a contract effective for the 2017-2018 school year or later unless the contract contains a plan for unrequested leave of absence under section 122A.40, subdivision 10, or a plan for discontinuing or terminating teachers under section 122A.41, subdivision 14.

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

Sec. 62. Laws 2014, chapter 312, article 16, section 15, is amended to read:

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

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

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

EFFECTIVE DATE. This section is effective for fiscal year 2015.

Sec. 63. **TEACHER LICENSURE AGREEMENTS WITH ADJOINING STATES.**

The Board of Teaching must prepare and submit a report to the K-12 education committees of the legislature by February 15, 2016, indicating the number, contracting states, and extent of the interstate agreements for teacher licensure under Minnesota Statutes, section 122A.23, subdivision 3, reached between August 1 and December 31, 2015.

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

Sec. 64. **TRANSFER CURRICULUM REPORT.**

By February 1, 2016, the chancellor of the Minnesota State Colleges and Universities must prepare and submit to the K-12 and higher education committees of the legislature a report describing the implementation of the transfer curriculum policy for postsecondary enrollment options program students under Minnesota Statutes, sections 124D.09, subdivision 12, and 135A.101, subdivision 3, and how to standardize Advanced Placement, International Baccalaureate, and college-level exam program course equivalencies across all state colleges and universities.

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

Sec. 65. **INTEGRATION LEVY ADJUSTMENT.**

Notwithstanding section 59, for fiscal year 2016 only, a school district's achievement and integration levy under Minnesota Statutes, section 124D.862, that is recognized entirely in the previous year equals 30 percent of its achievement and integration revenue for fiscal year 2016.

Sec. 66. **APPROPRIATIONS.**

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

Subd. 2. **Achievement gap elimination aid.** For gap elimination aid under Minnesota Statutes, section 124D.862:

<u>\$65,539,000</u>	<u>.....</u>	<u>2016</u>
<u>\$68,745,000</u>	<u>.....</u>	<u>2017</u>

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

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

Subd. 3. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

<u>\$44,552,000</u>	<u>.....</u>	<u>2016</u>
<u>\$45,508,000</u>	<u>.....</u>	<u>2017</u>

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

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

Subd. 4. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

<u>\$15,023,000</u>	.....	<u>2016</u>
<u>\$15,825,000</u>	.....	<u>2017</u>

Subd. 5. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

<u>\$2,812,000</u>	.....	<u>2016</u>
<u>\$2,887,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$213,000 for 2015 and \$2,599,000 for 2016.

The 2017 appropriation includes \$288,000 for 2016 and \$2,599,000 for 2017.

Subd. 6. **American Indian teacher preparation grants.** From the educator licensure account in the special revenue fund, unless insufficient funds exist within the educator licensure account in which case any remaining funds are from the general fund, for joint grants to assist American Indian people to become teachers under Minnesota Statutes, section 122A.63:

<u>\$190,000</u>	.....	<u>2016</u>
<u>\$190,000</u>	.....	<u>2017</u>

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

<u>\$2,166,000</u>	.....	<u>2016</u>
<u>\$2,295,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$204,000 for 2015 and \$1,962,000 for 2016.

The 2017 appropriation includes \$218,000 for 2016 and \$2,077,000 for 2017.

Subd. 8. **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>2016</u>
<u>\$68,000</u>	.....	<u>2017</u>

Subd. 9. **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>2016</u>
<u>\$4,500,000</u>	.....	<u>2017</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. 10. **Concurrent enrollment programs.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

<u>\$5,000,000</u>	.....	<u>2016</u>
<u>\$8,000,000</u>	.....	<u>2017</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. 11. **Collaborative urban educator.** For the collaborative urban educator grant program:

<u>\$780,000</u>	.....	<u>2016</u>
<u>\$780,000</u>	.....	<u>2017</u>

\$195,000 each year is for the Southeast Asian teacher program at Concordia University, St. Paul; \$195,000 each year is for the collaborative urban educator program at the University of St. Thomas; \$195,000 each year is for the Center for Excellence in Urban Teaching at Hamline University; and \$195,000 each year is for the East Africa Student to Teacher program at Augsburg College.

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. 12. **ServeMinnesota program.** For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<u>\$900,000</u>	.....	<u>2016</u>
<u>\$900,000</u>	.....	<u>2017</u>

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

Subd. 13. **Student organizations.** For student organizations:

<u>\$725,000</u>	.....	<u>2016</u>
<u>\$725,000</u>	.....	<u>2017</u>

\$46,000 each year is for student organizations serving health occupations.

\$100,000 each year is for student organizations serving trade and industry occupations.

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

\$187,000 each year is for student organizations serving agriculture occupations.

\$142,000 each year is for student organizations serving family and consumer science occupations.

\$109,000 each year is for student organizations serving marketing occupations.

\$46,000 each year is for the Minnesota Foundation for Student Organizations.

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

Subd. 14. Early childhood literacy programs. For innovation grants to ServeMinnesota for the Minnesota reading corps program under Minnesota Statutes, section 124D.42, subdivision 8:

<u>\$7,375,000</u>	.....	<u>2016</u>
<u>\$7,375,000</u>	.....	<u>2017</u>

Up to \$7,375,000 each year is to help maximize federal and nonpublic funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs to train and teach early literacy skills to children age three to grade 3 and to evaluate the impact of the Minnesota reading corps program under Minnesota Statutes, section 124D.42, subdivision 8.

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

Subd. 15. Minnesota math corps program. For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

<u>\$250,000</u>	.....	<u>2016</u>
<u>\$250,000</u>	.....	<u>2017</u>

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

Subd. 16. Alternative compensation. For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<u>\$78,331,000</u>	.....	<u>2016</u>
<u>\$77,647,000</u>	.....	<u>2017</u>

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

The 2017 appropriation includes \$7,840,000 for 2016 and \$69,807,000 for 2017.

Subd. 17. Starbase MN. For a grant to Starbase MN for rigorous science, technology, engineering, and math (STEM) programs providing students in grades 4 to 6 with a multisensory learning experience and a hands-on curriculum in an aerospace environment using state-of-the-art technology:

<u>\$924,000</u>	.....	<u>2016</u>
<u>\$0</u>	.....	<u>2017</u>

This appropriation does not cancel but is available in the second year of the biennium.

The base budget for this appropriation is \$500,000 for fiscal year 2018 and later.

All unspent funds, estimated at \$924,000 from the Starbase MN appropriation under Laws 2013, chapter 116, article 3, section 37, subdivision 22, are canceled to the general fund on June 30, 2015.

Subd. 18. **Teacher development and evaluation.** For teacher development and evaluation revenue:

<u>\$1,000,000</u>	<u>2016</u>
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The 2016 appropriation includes \$1,000,000 for 2015 and \$0 for 2016. This is a onetime appropriation and is available until expended.

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

<u>\$500,000</u>	.....	<u>2016</u>
<u>\$500,000</u>	.....	<u>2017</u>

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

Subd. 20. **Minnesota Principals' Academy.** For a grant to the University of Minnesota, College of Education and Human Development, for the operation of the Minnesota Principals' Academy:

<u>\$250,000</u>	.....	<u>2016</u>
<u>\$250,000</u>	.....	<u>2017</u>

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

Sec. 67. **REPEALER.**

Minnesota Statutes 2014, section 122A.40, subdivision 11, is repealed.

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

ARTICLE 3 STANDARDS AND ASSESSMENTS

Section 1. Minnesota Statutes 2014, section 120B.02, subdivision 2, is amended to read:

Subd. 2. **Graduation requirements.** To graduate from high school, students must demonstrate to their enrolling school district or school their satisfactory completion of the credit requirements under section 120B.024 and their understanding of academic standards ~~on a nationally normed college entrance exam~~ as required under section 120B.30, subdivision 1, paragraph (c), clause (1). A school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

EFFECTIVE DATE. This section is effective and applies to students entering grade 9 in the 2015-2016 school year and later.

Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **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 ten-year cycle to review

and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner 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~~ 2020-2021 school year and every ten years thereafter.

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

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

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

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

(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 2014, section 120B.022, subdivision 1, is amended to read:

Subdivision 1. **Elective standards.** A district must establish its own standards in ~~the following subject areas:~~

~~(1) career and technical education; and,~~

~~(2) A district must use the current world languages standards developed by the American Council on the Teaching of Foreign Languages.~~

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

Sec. 4. Minnesota Statutes 2014, section 120B.024, subdivision 2, is amended to read:

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agriculture education or business department may fulfill a one-half credit in social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill ~~the credit in chemistry or physics or the elective science credit required under subdivision 1, clause (4), if the credit meets the state chemistry or physics, or district biology~~ physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or (6).

(d) An agriculture education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 1, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

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

Sec. 5. Minnesota Statutes 2014, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

- (1) student performance on the National Assessment of Education Progress where applicable;
- (2) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;
- (3) student performance on the Minnesota Comprehensive Assessments including attainment of readiness score guidelines identified under section 120B.30, subdivision 1, paragraph (j);
- (4) high school graduation rates; and
- (5) career and college readiness under section 120B.30, subdivision 1, paragraph (p).

Sec. 6. Minnesota Statutes 2014, section 120B.125, is amended to read:

120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS.

(a) Consistent with sections ~~120B.128~~, 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and employment-related skills such as team work, collaboration, creativity, communication, critical thinking, and good work habits;

(2) emphasize academic rigor and high expectations;

(3) help students identify interests, aptitudes, aspirations, and personal learning styles that may affect their career and college ready goals and postsecondary education and employment choices;

(4) set appropriate career and college ready goals with timelines that identify effective means for achieving those goals;

(5) help students access education and career options;

(6) integrate strong academic content into career-focused courses and applied and experiential learning opportunities and integrate relevant career-focused courses and applied and experiential learning opportunities into strong academic content;

(7) help identify and access appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;

(8) help identify collaborative partnerships among prekindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and local and regional employers that support students' transition to postsecondary education and employment and provide students with applied and experiential learning opportunities; and

(9) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

(b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select or pursue a career, career interest, employment goals, or related job training.

(c) Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college ready.

(d) When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.

Sec. 7. Minnesota Statutes 2014, 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 as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section

120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 7 8. ~~Reading and mathematics assessments for all students in grade 8 must be aligned with the state's required reading and mathematics standards, be administered annually, and include multiple choice questions.~~ 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.

(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, ~~or~~ (v) a nationally recognized armed services vocational aptitude test, or (vi) the high school assessments required under subdivision 1a.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, ~~or~~ (v) a nationally recognized armed services vocational aptitude test, or (vi) the high school assessments required under subdivision 1a.

(3) Students enrolled in grade 8 in the 2012-2013 or 2013-2014 school year are eligible to be assessed under the ACT assessment for college admission or the high school assessments required under subdivision 1a.

~~(3)~~ (4) For students under clause (1) ~~or~~ (2), or (3), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.

(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 ~~2012-2013~~ 2014-2015 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) demonstrate understanding of required academic standards on ~~a nationally normed college entrance exam~~ high school assessments required under subdivision 1a;

(2) achievement and career and college readiness ~~tests~~ in mathematics, reading, and writing, consistent with paragraph ~~(e)~~ (j) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(3) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion. A student under paragraph (c), clause (2), must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

~~(d) To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and postsecondary education programs and Minnesota's workforce needs, and the efficiency and cost effectiveness of secondary and postsecondary programs, the commissioner, after consulting with the chancellor of the Minnesota State Colleges and Universities and using a request for proposal process, shall contract for a series of assessments that are consistent with this subdivision, aligned with state academic standards, and include career and college readiness benchmarks. Mathematics, reading, and writing assessments for students in grades 8 and 10 must be predictive of a nationally normed assessment for career and college readiness. This~~

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. With funding provided by the state, a district must pay the cost, one time, for an interested student in grade 11 or 12 who is eligible for a meal benefit to take a nationally recognized assessment must be a college entrance exam and given to students in grade 11 before graduating. This series of assessments must include a college placement diagnostic exam and contain career exploration elements.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

~~(f)~~ (g) Districts and schools, on an annual basis, must use ~~the career exploration elements in these assessments~~ to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

~~(2) Students in grade 10 or 11 not yet academically ready for a career or college based on their growth in academic achievement between grades 8 and 10 must take the college placement diagnostic exam before taking the college entrance exam under clause (3). Students, their families, the school, and the district can then use the results of the college placement diagnostic exam for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for a student to graduate and have a reasonable chance to succeed in a career or college without remediation.~~

~~(3) All students except those eligible for alternative assessments must be given the college entrance part of these assessments in grade 11. (h) A student under this clause who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on these high school assessments under subdivision 1a is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.~~

~~(4) (i) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.~~

~~(5) A study to determine the alignment between these assessments and state academic standards under this chapter must be conducted. Where alignment exists, the commissioner must seek federal approval to, and immediately upon receiving approval, replace the federally required assessments referenced under subdivision 1a and section 120B.35, subdivision 2, with assessments under this paragraph.~~

~~(e) (j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements. The commissioner of education, in consultation with the chancellor of the Minnesota State Colleges and Universities, shall identify the minimum score guidelines on the high school reading, writing, and mathematics Minnesota Comprehensive Assessments that demonstrate readiness for:~~

~~(1) a certificate level program;~~

~~(2) a two-year college program; and~~

~~(3) a four-year college program.~~

~~(f) (k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.~~

~~(g) (l) The school board granting 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.~~

~~(h) (m) The 3rd through 7th 8th grade computer-adaptive assessment results and grade 8 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 establish empirically derived~~

benchmarks on adaptive assessments in grades 3 through 7 ~~8~~ that reveal a trajectory toward career and college readiness. The commissioner must disseminate to the public the computer-adaptive assessments, ~~grade 8~~, and high school test results upon receiving those results.

(~~h~~) (n) The grades 3 through 7 ~~8~~ computer-adaptive assessments ~~and grade 8~~ 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.

(~~h~~) (o) The commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 7 ~~8~~ and testing at the ~~grade 8~~ and high school levels 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.

(~~h~~) (p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(~~h~~) (q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

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

Sec. 8. Minnesota Statutes 2014, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this section, the following definitions have the meanings given them.

(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 7 ~~beginning in the 2015-2016 school year and later~~ 8.

(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 7 8, state-developed ~~grade 8 and~~ high school reading, writing, and mathematics tests aligned with state academic standards, and science assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through 7 8, and ~~grade 8 and~~ high school reading, writing, and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

(d) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

(e) The commissioner must ensure that all state tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(f) Reporting of state assessment results must:

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

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

(g) Consistent with applicable federal law, the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

(h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

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

Sec. 9. **APPROPRIATIONS.**

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

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

<u>\$11,176,000</u>	<u>.....</u>	<u>2016</u>
<u>\$10,864,000</u>	<u>.....</u>	<u>2017</u>

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

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

<u>\$1,750,000</u>	<u>.....</u>	<u>2016</u>
<u>\$1,750,000</u>	<u>.....</u>	<u>2017</u>

The Department of Education must reimburse districts for their onetime payments on behalf of students eligible for a meal benefit who take the college entrance exam in grade 11 or 12.

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

Sec. 10. **REPEALER.**

Minnesota Statutes 2014, section 120B.128, is repealed.

ARTICLE 4
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2014, section 123B.88, is amended by adding a subdivision to read:

Subd. 10a. **Nonresident charter school pupil transportation.** If a school district is providing transportation for a charter school under section 124D.10, subdivision 16, the school district must allow a nonresident pupil attending the charter school to be transported on a district-operated or contracted route from any scheduled stop to

any other scheduled stop on that route. The district providing the pupil transportation services may charge a fee to the nonresident pupil. The fee for each nonresident pupil must not exceed the lesser of 15 cents per mile or the district's actual cost of transportation per mile traveled.

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

Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. **Purposes.** (a) The primary purpose of this section is to improve all pupil learning and all student achievement. Additional purposes include to:

(1) increase learning opportunities for all pupils;

(2) encourage the use of different and innovative teaching methods;

(3) measure learning outcomes and create different and innovative forms of measuring outcomes;

(4) establish new forms of accountability for schools; or

(5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize the establishing of a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of this subdivision. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

(c) An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

Sec. 3. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

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

(iii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

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

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

(5) single-purpose authorizers formed as charitable, nonsectarian organizations under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

(c) Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph ~~(e)~~ (d) and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

~~(e)~~ (d) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

(1) capacity and infrastructure;

- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

~~(d)~~ (e) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
 - (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
 - (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;
 - (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;
 - (5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;
 - (6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph ~~(j)~~ (s);
 - (7) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and
 - (8) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.
- ~~(e)~~ (f) A disapproved applicant under this section may resubmit an application during a future application period.
- ~~(f)~~ (g) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.
- ~~(g)~~ (h) The authorizer must participate in department-approved training.
- ~~(h)~~ (i) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(j) If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

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

(1) failing to demonstrate the criteria under paragraph (d) under which the commissioner approved the authorizer;

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

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 4. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (d).

(b) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

(c) Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(d) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit ~~by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit~~ at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

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

~~(d)~~ (f) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A ~~and~~.

(g) ~~The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph ~~(f)~~ (l). A charter school board of directors must be composed of at least five members who are not related parties.~~

(h) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election.

(i) Board of director meetings must comply with chapter 13D.

~~(e)~~ (j) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public.

(k) Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

~~(f)~~ (l) Every charter school board member shall attend annual training throughout the member's term on the board. All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

~~(g)~~ (m) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations.

(n) The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no

clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

(o) Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

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

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

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

~~(i)~~ (q) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer.

(r) Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

~~(j)~~ (s) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

(1) the need for the expansion with supporting long-range enrollment projections;

(2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and

(4) board capacity and an administrative and management plan to implement its expansion.

~~(k)~~ (t) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15

business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 5. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

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

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

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

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(e) A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

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

~~(f)~~ (g) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people older than 18 years of age. A charter school may offer a free or fee-based preschool or prekindergarten that meets high-quality early learning instructional program standards that are aligned with Minnesota's early learning standards for children. The hours a student is enrolled in a fee-based prekindergarten program do not generate pupil units under section 126C.05 and must not be used to calculate general education revenue under section 126C.10. A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

~~(g)~~ (h) Except as provided in paragraph (g), a charter school may not charge tuition.

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

~~(i)~~ (j) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, ~~and~~.

(k) A charter school is subject to and must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

~~(j)~~ (l) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 6. Minnesota Statutes 2014, section 124D.10, subdivision 9, is amended to read:

Subd. 9. **Admission requirements.** (a) A charter school may limit admission to:

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

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

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

(c) A charter school shall give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children. ~~A If a charter school has a preschool or prekindergarten program under subdivision 8, paragraph (g), that is free to all participants, the~~ charter school may give enrollment preference to children currently enrolled in the school's ~~free~~ preschool or prekindergarten program ~~under subdivision 8, paragraph (f),~~ who are eligible to enroll in kindergarten in the next school year.

(d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its Web site a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c).

(e) Except as permitted in paragraph (d), a charter school may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this subdivision.

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

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

Sec. 7. Minnesota Statutes 2014, section 124D.10, subdivision 12, is amended to read:

Subd. 12. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, ~~and 125A.65, and 125A.75~~ and rules relating to the education of pupils with a disability as though it were a district. A charter school enrolling prekindergarten pupils with a disability under subdivision 8, paragraph (g), must comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early Intervention System as though it were a school district.

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

Sec. 8. Minnesota Statutes 2014, section 124D.10, subdivision 14, is amended to read:

Subd. 14. **Annual public reports.** (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter school must post the annual report on the school's official Web site. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

(b) The commissioner shall establish specifications for an authorizer's annual public report that is part of the system to evaluate authorizer performance under subdivision 3, paragraph (h). The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 9. Minnesota Statutes 2014, section 124D.10, subdivision 16, is amended to read:

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

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

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

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

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district and must be provided according to section 123B.88, subdivision 10a. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

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

Sec. 10. Minnesota Statutes 2014, section 124D.10, subdivision 23, is amended to read:

Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 6. The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days of receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

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

(1) failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in the contract;

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

(3) violations of law; or

(4) other good cause shown.

If a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

(c) If the authorizer and the charter school board of directors mutually agree not to renew the contract, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, as well as any outstanding contractual obligations that exist. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

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

(1) failure to meet pupil performance requirements consistent with state law;

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

(3) repeated or major violations of the law.

(e) Notwithstanding other provisions of this subdivision, the authorizer of a charter school may terminate an existing contract between the authorizer and the charter school at the end of the current school year, after notifying the charter school board of directors by December 1, if in each of the previous three consecutive school years the performance of the charter school based on federal school accountability measures and on state measures of student performance and growth would place the school in the bottom ten percent of all public schools as determined by the commissioner. If an authorizer chooses to terminate the contract, the school must be closed according to applicable law and the terms of the contract. The authorizer must work with the charter school's board of directors to ensure parents of children currently enrolled at the school are aware of school choice options and receive assistance in selecting an appropriate choice for their children for the next school year. If the authorizer chooses not to terminate the existing contract under these conditions, the authorizer must submit a public, written justification of its decision to the commissioner by December 1. The federal and state measures identified in this paragraph do not prevent an authorizer from closing schools under other conditions, consistent with applicable law and contract terms.

Sec. 11. Minnesota Statutes 2014, section 124D.10, is amended by adding a subdivision to read:

Subd. 24a. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The effective date of a merger must be July 1. The merged school must continue under the identity of one of the merging schools. A new charter contract under subdivision 6 must be executed by July 1. The authorizer must submit to the commissioner a copy of the new signed charter contract within ten business days of its execution.

(b) Each merging school must submit a separate year-end report for the previous year for that school only. After the final fiscal year of the premerger schools is closed out, the fund balances and debts from the merging schools must be transferred to the merged school.

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 12. Minnesota Statutes 2014, section 124D.11, subdivision 9, is amended to read:

Subd. 9. Payment of aids to charter schools. (a) Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 16 payment dates in July through February.

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

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

(d) If, within the timeline under section 471.425, a charter school fails to pay the state of Minnesota, a school district, intermediate school district, or service cooperative after receiving an undisputed invoice for goods and services, the commissioner may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to the interested state agency, school district, intermediate school district, or service cooperative. An interested state agency, school district, intermediate school district, or education cooperative shall notify the commissioner when a charter school fails to pay an undisputed invoice within 75 business days of when it received the original invoice.

~~(e)~~ Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

~~(f)~~ (e) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

~~(g)~~ (f) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

~~(h)~~ (g) A charter school must have a valid, signed contract under section 124D.10, subdivision 6, on file at the Department of Education at least 15 days prior to the date of first payment of state aid for the fiscal year.

~~(i)~~ (h) State aid entitlements shall be computed for a charter school only for the portion of a school year for which it has a valid, signed contract under section 124D.10, subdivision 6.

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

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor of statutes may alter the renumbering to incorporate statutory changes made during the 2015 regular legislative session. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering in this instruction and the relettering of paragraphs in sections 1 to 12.

Column A

124D.10, subd. 1, paragraph (a)
124D.10, subd. 1, paragraph (b)
124D.10, subd. 1, paragraph (c)
124D.10, subd. 2
124D.10, subd. 3, paragraph (a)
124D.10, subd. 3, paragraph (b)
124D.10, subd. 3, paragraph (c)
124D.10, subd. 3, paragraph (d)
124D.10, subd. 3, paragraph (e)
124D.10, subd. 3, paragraph (f)
124D.10, subd. 3, paragraph (g)
124D.10, subd. 3, paragraph (h)
124D.10, subd. 3, paragraph (i)
124D.10, subd. 3, paragraph (j)
124D.10, subd. 3, paragraph (k)
124D.10, subd. 4, paragraph (a)
124D.10, subd. 4, paragraph (b)
124D.10, subd. 4, paragraph (c)
124D.10, subd. 4, paragraph (d)

Column B

124E.01, subd. 1
124E.06, subd. 3, paragraph (d)
124E.06, subd. 1, paragraph (b)
124E.01, subd. 2
124E.02, paragraph (a)
124E.05, subd. 1
124E.05, subd. 2, paragraph (a)
124E.05, subd. 3, paragraph (a)
124E.05, subd. 4
124E.05, subd. 3, paragraph (b)
124E.05, subd. 7
124E.05, subd. 2, paragraph (b)
124E.05, subd. 5
124E.05, subd. 6, paragraph (a)
124E.05, subd. 6, paragraph (b)
124E.06, subd. 1, paragraph (a)
124E.06, subd. 2, paragraph (a)
124E.06, subd. 2, paragraph (c)
124E.06, subd. 4

124D.10, subd. 4, paragraph (e)
124D.10, subd. 4, paragraph (f)
124D.10, subd. 4, paragraph (g)
124D.10, subd. 4, paragraph (h)
124D.10, subd. 4, paragraph (i)
124D.10, subd. 4, paragraph (j)
124D.10, subd. 4, paragraph (k)
124D.10, subd. 4, paragraph (l)
124D.10, subd. 4, paragraph (m)
124D.10, subd. 4, paragraph (n)
124D.10, subd. 4, paragraph (o)
124D.10, subd. 4, paragraph (p)
124D.10, subd. 4, paragraph (q)
124D.10, subd. 4, paragraph (r)
124D.10, subd. 4, paragraph (s)
124D.10, subd. 4, paragraph (t)
124D.10, subd. 4a, paragraph (a)
124D.10, subd. 4a, paragraph (b)
124D.10, subd. 4a, paragraph (c)
124D.10, subd. 4a, paragraph (d)
124D.10, subd. 4a, paragraph (e)
124D.10, subd. 4a, paragraph (f)
124D.10, subd. 5
124D.10, subd. 6
124D.10, subd. 6a
124D.10, subd. 7
124D.10, subd. 8, paragraph (a)
124D.10, subd. 8, paragraph (b)
124D.10, subd. 8, paragraph (c)
124D.10, subd. 8, paragraph (d)
124D.10, subd. 8, paragraph (e)
124D.10, subd. 8, paragraph (f)
124D.10, subd. 8, paragraph (g)
124D.10, subd. 8, paragraph (h)
124D.10, subd. 8, paragraph (i)
124D.10, subd. 8, paragraph (j)
124D.10, subd. 8, paragraph (k)
124D.10, subd. 8, paragraph (l)
124D.10, subd. 8, paragraph (m)
124D.10, subd. 8, paragraph (n)
124D.10, subd. 8, paragraph (o)
124D.10, subd. 8, paragraph (p)
124D.10, subd. 8, paragraph (q)
124D.10, subd. 8, paragraph (r)
124D.10, subd. 8, paragraph (s)
124D.10, subd. 8, paragraph (t)
124D.10, subd. 8, paragraph (u)
124D.10, subd. 8, paragraph (v)
124D.10, subd. 8, paragraph (w)
124D.10, subd. 8, paragraph (x)
124D.10, subd. 8, paragraph (y)

124E.06, subd. 3, paragraph (g)
124E.06, subd. 2, paragraph (b)
124E.07, subd. 1
124E.07, subd. 5
124E.07, subd. 8, paragraph (a)
124E.07, subd. 8, paragraph (b)
124E.17, subd. 2
124E.07, subd. 7
124E.07, subd. 2
124E.07, subd. 3, paragraph (a)
124E.07, subd. 4
124E.10, subd. 2, paragraph (c)
124E.10, subd. 2, paragraph (b)
124E.10, subd. 2, paragraph (a)
124E.06, subd. 5, paragraph (a)
124E.06, subd. 5, paragraph (b)
124E.07, subd. 3, paragraph (b)
124E.14, paragraph (a)
124E.07, subd. 3, paragraph (c)
124E.07, subd. 3, paragraph (d)
124E.14, paragraph (b)
124E.14, paragraph (c)
124E.06, subd. 6
124E.10, subd. 1, paragraph (a)
124E.16, subd. 1, paragraphs (b) to (e)
124E.03, subd. 1
124E.03, subd. 2, paragraph (a)
124E.03, subd. 2, paragraph (b)
124E.06, subd. 3, paragraph (e)
124E.06, subd. 3, paragraph (b)
124E.03, subd. 4, paragraph (a)
124E.06, subd. 3, paragraph (c)
124E.06, subd. 3, paragraph (a)
124E.06, subd. 3, paragraph (f)
124E.03, subd. 4, paragraph (b)
124E.11, paragraph (g)
124E.03, subd. 2, paragraph (c)
124E.16, subd. 1, paragraph (a)
124E.03, subd. 2, paragraph (d)
124E.03, subd. 5, paragraph (a)
124E.03, subd. 2, paragraph (e)
124E.03, subd. 7, paragraph (a)
124E.03, subd. 2, paragraph (f)
124E.03, subd. 5, paragraph (b)
124E.03, subd. 7, paragraph (b)
124E.03, subd. 7, paragraph (c)
124E.03, subd. 2, paragraph (g)
124E.03, subd. 2, paragraph (h)
124E.03, subd. 2, paragraph (i)
124E.03, subd. 4, paragraph (c)
124E.15, paragraph (a)

<u>124D.10, subd. 8a</u>	<u>124E.25, subd. 3, paragraph (a)</u>
<u>124D.10, subd. 8b</u>	<u>124E.25, subd. 3, paragraph (b)</u>
<u>124D.10, subd. 9</u>	<u>124E.11, paragraphs (a) to (f)</u>
<u>124D.10, subd. 10</u>	<u>124E.10, subd. 1, paragraph (b)</u>
<u>124D.10, subd. 11, paragraph (a)</u>	<u>124E.12, subd. 1</u>
<u>124D.10, subd. 11, paragraph (b)</u>	<u>124E.12, subd. 2</u>
<u>124D.10, subd. 11, paragraph (c)</u>	<u>124E.07, subd. 6</u>
<u>124D.10, subd. 11, paragraph (d)</u>	<u>124E.12, subd. 5</u>
<u>124D.10, subd. 12</u>	<u>124E.03, subd. 3</u>
<u>124D.10, subd. 13</u>	<u>124E.03, subd. 6</u>
<u>124D.10, subd. 14</u>	<u>124E.16, subd. 2</u>
<u>124D.10, subd. 15, paragraphs (a) to (e)</u>	<u>124E.10, subd. 3, paragraphs (a) to (e)</u>
<u>124D.10, subd. 15, paragraph (f)</u>	<u>124E.05, subd. 8</u>
<u>124D.10, subd. 16</u>	<u>124E.15, paragraphs (b) to (d)</u>
<u>124D.10, subd. 17</u>	<u>124E.13, subd. 1</u>
<u>124D.10, subd. 17a</u>	<u>124E.13, subd. 3</u>
<u>124D.10, subd. 17b</u>	<u>124E.13, subd. 4</u>
<u>124D.10, subd. 19</u>	<u>124E.17, subd. 1</u>
<u>124D.10, subd. 20</u>	<u>124E.12, subd. 6</u>
<u>124D.10, subd. 21</u>	<u>124E.12, subd. 3</u>
<u>124D.10, subd. 22</u>	<u>124E.12, subd. 4</u>
<u>124D.10, subd. 23, paragraphs (a) and (b)</u>	<u>124E.10, subd. 4, paragraphs (a) and (b)</u>
<u>124D.10, subd. 23, paragraph (c)</u>	<u>124E.10, subd. 5</u>
<u>124D.10, subd. 23, paragraph (d)</u>	<u>124E.10, subd. 4, paragraph (c)</u>
<u>124D.10, subd. 23a, paragraph (a)</u>	<u>124E.13, subd. 2, paragraph (a)</u>
<u>124D.10, subd. 23a, paragraph (b)</u>	<u>124E.02, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (c)</u>	<u>124E.13, subd. 2, paragraph (b)</u>
<u>124D.10, subd. 23a, paragraph (d)</u>	<u>124E.13, subd. 2, paragraph (c)</u>
<u>124D.10, subd. 24</u>	<u>124E.10, subd. 6</u>
<u>124D.10, subd. 25</u>	<u>124E.09</u>
<u>124D.10, subd. 27</u>	<u>124E.08</u>
<u>124D.11, subd. 1</u>	<u>124E.20, subd. 1</u>
<u>124D.11, subd. 2</u>	<u>124E.23</u>
<u>124D.11, subd. 3</u>	<u>124E.20, subd. 2</u>
<u>124D.11, subd. 4</u>	<u>124E.22</u>
<u>124D.11, subd. 5</u>	<u>124E.21</u>
<u>124D.11, subd. 6</u>	<u>124E.24</u>
<u>124D.11, subd. 7</u>	<u>124E.26</u>
<u>124D.11, subd. 9, paragraph (a)</u>	<u>124E.25, subd. 1, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (b)</u>	<u>124E.25, subd. 1, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (c)</u>	<u>124E.25, subd. 4, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (d)</u>	<u>124E.25, subd. 4, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (e)</u>	<u>124E.25, subd. 2, paragraph (a)</u>
<u>124D.11, subd. 9, paragraph (f)</u>	<u>124E.25, subd. 1, paragraph (c)</u>
<u>124D.11, subd. 9, paragraph (g)</u>	<u>124E.25, subd. 2, paragraph (b)</u>
<u>124D.11, subd. 9, paragraph (h)</u>	<u>124E.25, subd. 2, paragraph (c)</u>

Sec. 14. **APPROPRIATIONS.**

Subdivision 1. Department. 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>\$66,787,000</u>	.....	<u>2016</u>
<u>\$73,603,000</u>	.....	<u>2017</u>

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

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

ARTICLE 5 SPECIAL EDUCATION

Section 1. Minnesota Statutes 2014, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterator who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 2, is amended to read:

Subd. 2. **Oral or cued speech transliterators.** (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from the commissioner of education.

(b) To provide oral or cued speech transliterator services on a full-time or part-time basis, a person employed in a school district must comply with paragraph (a). The commissioner shall grant a nonrenewable, two-year certificate to a school district on behalf of a person who has not yet attained a current applicable transliterator certificate under paragraph (a). A person for whom a nonrenewable, two-year certificate is issued must work under the direction of a licensed teacher who is skilled in language development of individuals who are deaf or hard-of-hearing. A person for whom a nonrenewable, two-year certificate is issued also must enroll in a state-approved training program and demonstrate progress towards the certification required under paragraph (a) sufficient for the person to be certified at the end of the two-year period.

(c) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing People, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard-of-Hearing, or the director's designee~~ deaf and hard-of-hearing state specialist, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

Sec. 3. Minnesota Statutes 2014, section 123B.88, subdivision 1, is amended to read:

Subdivision 1. **Providing transportation.** The board may provide for the transportation of pupils to and from school and for any other purpose. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the

district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. In any district, the board must arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been voluntarily surrendered under subdivision 2, or whose privileges have been revoked under section 123B.91, subdivision 1, clause (6), or 123B.90, subdivision 2. The district may provide for the transportation of or the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. Arrangements for attendance may include a requirement that parents or guardians request transportation before it is provided. The board must provide necessary transportation to and from the home of, consistent with section 123B.92, subdivision 1, paragraph (b), clause (4), for a child with a disability not yet enrolled in kindergarten when for the provision of special instruction and services under sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided in a location other than in the child's home. Special instruction and services for a child with a disability not yet enrolled in kindergarten include an individualized education program team placement in an early childhood program when that placement is necessary to address the child's level of functioning and needs. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, the determination of fees, and any other matter relating thereto must be within the sole discretion, control, and management of the board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 4. Minnesota Statutes 2014, section 125A.01, is amended to read:

125A.01 DEFINITIONS.

Subdivision 1. General application. For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

Subd. 2. Dyslexia. "Dyslexia" means a specific learning disability that is neurological in origin. It is characterized by difficulties with accurate or fluent recognition of words and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede the growth of vocabulary and background knowledge.

Students who have a dyslexia diagnosis must meet the state and federal eligibility criteria in order to qualify for special education services.

Sec. 5. Minnesota Statutes 2014, section 125A.023, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section and section 125A.027, the following terms have the meanings given them:

(a) "Health plan" means:

- (1) a health plan under section 62Q.01, subdivision 3;
- (2) a county-based purchasing plan under section 256B.692;
- (3) a self-insured health plan established by a local government under section 471.617; or
- (4) self-insured health coverage provided by the state to its employees or retirees.

(b) For purposes of this section, "health plan company" means an entity that issues a health plan as defined in paragraph (a).

(c) "Interagency intervention service system" means a system that coordinates services and programs required in state and federal law to meet the needs of eligible children with disabilities ages birth through 21, including:

(1) services provided under the following programs or initiatives administered by state or local agencies:

(i) the maternal and child health program under title V of the Social Security Act;

(ii) the Minnesota children with special health needs program under sections 144.05 and 144.07;

(iii) the Individuals with Disabilities Education Act, Part B, section 619, and Part C as amended;

(iv) medical assistance under title 42, chapter 7, of the Social Security Act;

(v) developmental disabilities services under chapter 256B;

(vi) the Head Start Act under title 42, chapter 105, of the Social Security Act;

(vii) vocational rehabilitation services provided under chapters 248 and 268A and the Rehabilitation Act of 1973;

(viii) Juvenile Court Act services provided under sections 260.011 to 260.91; 260B.001 to 260B.446; and 260C.001 to 260C.451;

(ix) Minnesota Comprehensive Children's Mental Health Act under section 245.487;

(x) the community health services grants under sections 145.88 to 145.9266;

(xi) the Local Public Health Act under chapter 145A; and

(xii) the Vulnerable Children and Adults Act, sections 256M.60 to 256M.80;

(2) service provision and funding that can be coordinated through:

(i) the children's mental health collaborative under section 245.493;

(ii) the family services collaborative under section 124D.23;

(iii) the community transition interagency committees under section 125A.22; and

(iv) the interagency early intervention committees under section 125A.259;

(3) financial and other funding programs to be coordinated including medical assistance under title 42, chapter 7, of the Social Security Act, the MinnesotaCare program under chapter 256L, Supplemental Social Security Income, Developmental Disabilities Assistance, and any other employment-related activities associated with the Social Security Administration; and services provided under a health plan in conformity with an individual family service plan or an individualized education program or an individual interagency intervention plan; and

(4) additional appropriate services that local agencies and counties provide on an individual need basis upon determining eligibility and receiving a request from (i) the interagency early intervention committee school board or county board and (ii) the child's parent.

(d) "Children with disabilities" has the meaning given in section 125A.02.

(e) A "standardized written plan" means those individual services or programs, with accompanying funding sources, available through the interagency intervention service system to an eligible child other than the services or programs described in the child's individualized education program or the child's individual family service plan.

Sec. 6. Minnesota Statutes 2014, section 125A.023, subdivision 4, is amended to read:

Subd. 4. **State Interagency Committee.** (a) The commissioner of education, on behalf of the governor, shall convene an interagency committee to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities. The commissioners of commerce, education, health, human rights, human services, employment and economic development, and corrections shall each appoint two committee members from their departments; and the Association of Minnesota Counties, Minnesota School Boards Association, the Minnesota Administrators of Special Education, and the School Nurse Association of Minnesota shall each appoint one committee member. The committee shall select a chair from among its members.

(b) The committee shall:

(1) identify and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible funding sources to streamline these services;

(3) develop guidelines for implementing policies that ensure a comprehensive and coordinated system of all state and local agency services, including multidisciplinary assessment practices for children with disabilities ages three to 21, including:

(i) develop, consistent with federal law, a standardized written plan for providing services to a child with disabilities;

(ii) identify how current systems for dispute resolution can be coordinated;

(iii) develop an evaluation process to measure the success of state and local interagency efforts in improving the quality and coordination of services to children with disabilities ages three to 21; and

(iv) develop guidelines to assist the governing boards of the interagency early intervention committees in carrying out the duties assigned in section 125A.027, subdivision 1, paragraph (b); and

(4) carry out other duties necessary to develop and implement within communities a coordinated, multidisciplinary, interagency intervention service system for children with disabilities.

(c) The committee shall consult on an ongoing basis with the state Special Education Advisory Panel and the governor's Interagency Coordinating Council in carrying out its duties under this section, including assisting the governing school boards of the interagency early intervention committees and county boards.

Sec. 7. Minnesota Statutes 2014, section 125A.027, is amended to read:

125A.027 INTERAGENCY EARLY INTERVENTION COMMITTEE RESPONSIBILITIES LOCAL AGENCY COORDINATION RESPONSIBILITIES.

Subdivision 1. ~~Additional duties~~ **School board and county board responsibilities.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 and receiving services from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must conform with a standardized written plan for each eligible child ages three to 21.

(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages three to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that ensures that coordinated interagency services are coordinated, provided, and paid for and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).

Subd. 1a. **Local governance structure.** (a) ~~The governing school boards of the interagency early intervention committees and county boards~~ are responsible for developing and implementing interagency policies and procedures to coordinate services at the local level for children with disabilities ages three to 21 under guidelines established by the state interagency committee under section 125A.023, subdivision 4. Consistent with the requirements in this section and section 125A.023, the ~~governing school boards of the interagency early intervention committees and county boards~~ may organize as a joint powers board under section 471.59 or enter into an interagency agreement that establishes a governance structure.

(b) ~~The governing board of each interagency early intervention committee as defined in section 125A.30, paragraph (a), which may include a juvenile justice professional, shall:~~

- (1) ~~identify state and federal barriers to local coordination of services provided to children with disabilities;~~
- (2) ~~implement policies that ensure a comprehensive and coordinated system of all state and local agency services, including practices on multidisciplinary assessment, standardized written plans, dispute resolution, and system evaluation for children with disabilities ages three to 21;~~
- (3) ~~coordinate services and facilitate payment for services from public and private institutions, agencies, and health plan companies; and~~
- (4) ~~share needed information consistent with state and federal data practices requirements.~~

Subd. 2. **Appropriate and necessary services.** (a) Parents, physicians, other health care professionals including school nurses, and education and human services providers jointly must determine appropriate and necessary services for eligible children with disabilities ages three to 21. The services provided to the child under this section must conform with the child's standardized written plan. The ~~governing school board of an interagency early intervention committee or county board~~ must provide those services contained in a child's individualized education program and those services for which a legal obligation exists.

(b) Nothing in this section or section 125A.023 increases or decreases the obligation of the state, county, regional agency, local school district, or local agency or organization to pay for education, health care, or social services.

(c) A health plan may not exclude any medically necessary covered service solely because the service is or could be identified in a child's individual family service plan, individualized education program, a plan established under section 504 of the federal Rehabilitation Act of 1973, or a student's individual health plan. This paragraph reaffirms the obligation of a health plan company to provide or pay for certain medically necessary covered services, and encourages a health plan company to coordinate this care with any other providers of similar services. Also, a health plan company may not exclude from a health plan any medically necessary covered service such as an assessment or physical examination solely because the resulting information may be used for an individualized education program or a standardized written plan.

~~Subd. 4. **Responsibilities of school and county boards.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate service for children eligible under section 125A.02 and receiving service from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must be in conformity with a standardized written plan for each eligible child ages 3 to 21.~~

~~(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.~~

~~(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages 3 to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that assures that coordinated interagency services are coordinated, provided, and paid for, and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).~~

Sec. 8. Minnesota Statutes 2014, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

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

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

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work

as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children ~~with attention deficit disorder or attention deficit hyperactivity disorder~~. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

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

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

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

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

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

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

Sec. 9. **[125A.083] STUDENT INFORMATION SYSTEMS; TRANSFERRING RECORDS.**

To efficiently and effectively meet federal and state compliance and accountability requirements using an online case management reporting system, school districts may contract only with a student information system vendor employing a universal filing system that is compatible with the online system for compliance reporting under section 125A.085 beginning in the 2018-2019 school year and later. A district's universal filing system under this section must facilitate the seamless transfer of student records for a student with disabilities who transfers between school districts, including records containing the student's evaluation report, service plan, and other due process forms and information, regardless of what filing system any one district uses.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all district contracts with student information system vendors entered into or modified after that date.

Sec. 10. Minnesota Statutes 2014, section 125A.085, is amended to read:

125A.085 ONLINE REPORTING OF REQUIRED DATA.

(a) To ensure a strong focus on outcomes for children with disabilities informs federal and state compliance and accountability requirements and to increase opportunities for special educators and related-services providers to focus on teaching children with disabilities, the commissioner must customize a streamlined, user-friendly statewide online system, with a single model online form, for effectively and efficiently collecting and reporting required special education-related data to individuals with a legitimate educational interest and who are authorized by law to access the data.

(b) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

(1) reduce special education teachers' paperwork burden and thereby increase the teachers' opportunities to focus on teaching children;

(2) to the extent authorized by chapter 13 or other applicable state or federal law governing access to and dissemination of educational records, provide for efficiently and effectively transmitting the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities, among others, and avoid fragmented service delivery;

(3) address language and other barriers and disparities that prevent parents from understanding and communicating information about the needs of their children with disabilities; and

(4) help continuously improve the interface among the online systems serving children with disabilities in order to maintain and reinforce the children's ability to learn.

(c) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this section for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology

and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this section. This online system must be made available to school districts without charge beginning in the 2015-2016 school year. For the 2015-2016 ~~through 2017-2018~~ school years and later, school districts may use this online system or may contract with an outside vendor for compliance reporting. ~~Beginning in the 2018-2019 school year and later, school districts must use this online system for compliance reporting.~~

(d) All data on individuals maintained in the statewide reporting system are classified as provided in chapter 13 or other applicable state or federal law. An authorized individual's ability to enter, update, or access data must be limited through the use of role-based access codes corresponding to that individual's official duties or training level, and the statutory authorization that grants access for a particular purpose. Any action in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system must be recorded in an audit trail. The audit trail must identify the specific user responsible for the action, the date and time the action occurred, and the purpose for the action. Data contained in the audit trail maintain the same classification as the underlying data affected by the action, provided the responsible authority makes the data available to a student or the student's parent upon request, and the responsible authority may access the data to audit the system's user activity and security safeguards. Before entering data on a student, the responsible authority must provide the student or the student's parent written notice of the data practices rights and responsibilities required by this section and a reasonable opportunity to refuse consent to have the student's data included in the system. Upon receiving the student or the student's parent written refusal to consent, the school district must not enter data on that student into the system and must delete any existing data on that student currently in the system.

(e) Consistent with this section, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this section. The public Internet Web interface must have a prominently linked page describing the rights and responsibilities of students and parents whose data are included in the statewide reporting system, and include information on the data practices rights of students and parents provided by this section and a form students or parents may use to refuse consent to have a student's data included in the system. The public Internet Web interface must not provide access to the educational records of any individual child.

(f) The commissioner annually by February 1 must submit to the legislature a report on the status, recent changes, and sustainability of the online system under this section.

Sec. 11. Minnesota Statutes 2014, section 125A.0942, subdivision 3, is amended to read:

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

- (1) physical holding or seclusion is the least intrusive intervention that effectively responds to the emergency;
- (2) physical holding or seclusion is not used to discipline a noncompliant child;
- (3) physical holding or seclusion ends when the threat of harm ends and the staff determines the child can safely return to the classroom or activity;
- (4) staff directly observes the child while physical holding or seclusion is being used;
- (5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion documents, as soon as possible after the incident concludes, the following information:

- (i) a description of the incident that led to the physical holding or seclusion;
 - (ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;
 - (iii) the time the physical holding or seclusion began and the time the child was released; and
 - (iv) a brief record of the child's behavioral and physical status;
- (6) the room used for seclusion must:
- (i) be at least six feet by five feet;
 - (ii) be well lit, well ventilated, adequately heated, and clean;
 - (iii) have a window that allows staff to directly observe a child in seclusion;
 - (iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;
 - (v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and
 - (vi) not contain objects that a child may use to injure the child or others;
- (7) before using a room for seclusion, a school must:
- (i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and
 - (ii) register the room with the commissioner, who may view that room; and
- (8) until August 1, 2015, a school district may use prone restraints with children age five or older if:
- (i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;
 - (ii) the district provides information on the type of training that was provided and by whom;
 - (iii) only staff who received specific training use prone restraints;
 - (iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and
 - (v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

(b) By February 1, 2015, and annually thereafter, stakeholders ~~must~~ may, as necessary, recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of

restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

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

Sec. 12. Minnesota Statutes 2014, section 125A.21, is amended to read:

125A.21 THIRD-PARTY PAYMENT.

Subdivision 1. **Obligation to pay.** Nothing in sections 125A.03 to 125A.24 and 125A.65 relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family. A school district shall pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26. Eligible expenditures must not be made from federal funds or funds used to match other federal funds. Any federal disallowances are the responsibility of the school district. A school district may pay or reimburse co-payments, coinsurance, deductibles, and other enrollee cost-sharing amounts, on behalf of the student or family, in connection with health and related services provided under an individual educational plan or individualized family service plan.

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 individualized education program or individualized family service plan health-related services provided by the district. The initial notice must give the child's parent or legal representative the right to 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.

(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 individualized education program or individualized family service 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 individualized education program or individualized family service 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.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504 or 303.520. 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 individualized education program or individualized family service 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 individualized education program or individualized family service 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.

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 access third-party payments for individualized education program or individualized family service plan health-related services; or

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

Subd. 4. Parents not obligated to use health coverage. To the extent required by federal law, a school district may not require parents of children with disabilities, if they would incur a financial cost, to use private or public health coverage to pay for the services that must be provided under an individualized education program or individualized family service plan.

Subd. 5. **Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4a; 256B.77, subdivision 2, paragraph (p); and Code of Federal Regulations, title 34, parts 99 ~~and~~ 300, ~~and~~ 303, 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~~ individualized 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.

Subd. 6. **District obligation to provide service.** To the extent required by federal law, no school district may deny, withhold, or delay any service that must be provided under an individualized education program or individualized family service plan because a family has refused to provide informed consent to bill a health plan for services or a health plan company has refused to pay any, all, or a portion of the cost of services billed.

Subd. 7. **District disclosure of information.** A school district may disclose information contained in a student's individualized education program, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 ~~and~~ 300, ~~and~~ 303; 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. 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.

Sec. 13. Minnesota Statutes 2014, section 125A.28, is amended to read:

125A.28 STATE INTERAGENCY COORDINATING COUNCIL.

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law 108-446, section 641. The members must be appointed by the governor and reasonably represent the population of Minnesota. Council members must elect the council chair, who may not be a representative of the Department of Education. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 4, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

~~On the date that Minnesota Part C Annual Performance Report is submitted to~~ Within 30 days of receiving the annual determination from the federal Office of Special Education on the Minnesota Part C Annual Performance Report, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

Annually, the council must prepare and submit a report to the governor and the secretary of the federal Department of Education on the status of early intervention services and programs for infants and toddlers with disabilities and their families under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance report may serve as the report.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council does not expire unless federal law no longer requires the existence of the council or committee.

Sec. 14. Minnesota Statutes 2014, section 125A.63, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The ~~resource centers department~~ must offer summer institutes or other training programs throughout the state for deaf or hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The ~~resource centers department~~ must also offer workshops for teachers, and leadership development for teachers.

~~A program~~ (b) Training and workshop programs offered ~~through the resource centers~~ under paragraph (a) must help promote and develop education programs offered by school districts or other organizations. The ~~program programs~~ must assist school districts or other organizations to develop innovative programs.

Sec. 15. Minnesota Statutes 2014, section 125A.63, subdivision 3, is amended to read:

Subd. 3. **Programs by nonprofits.** The ~~resource centers department~~ may contract to have nonprofit organizations provide programs ~~through the resource centers~~ under subdivision 2.

Sec. 16. Minnesota Statutes 2014, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** (a) The commissioner shall establish ~~an advisory committee~~ committees for ~~each resource center~~ the deaf and hard-of-hearing and for the blind and visually impaired. The advisory committees shall develop recommendations ~~regarding the resource centers~~ and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

(b) The advisory ~~committee for the Resource Center~~ committees for the deaf and hard of hearing and for the blind and visually impaired shall meet periodically at least four times per year and each submit an annual report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard-of-Hearing Minnesotans. The ~~report reports~~ must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing or of blind and visually impaired, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, and the school performance report cards under section 120B.36, subdivision 1; and

(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing or blind and visually impaired children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan.

Sec. 17. Minnesota Statutes 2014, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, ~~the director of the Department of Education Resource Center for Deaf and Hard-of-Hearing~~ deaf and hard-of-hearing state specialist, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education and health, the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, and the advisory council ~~of the Minnesota Department of Education Resource Center~~ for the deaf and hard-of-hearing.

(b) The Department of Education must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

Sec. 18. Minnesota Statutes 2014, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79, the definitions in this subdivision apply.

(b) "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.

(c) "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 individualized education programs. Essential personnel does not include administrators and supervisors.

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

(e) "Program growth factor" means 1.046 for fiscal years 2012 through 2015, 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program growth factor for the previous year for fiscal year 2018 and later.

(f) "Nonfederal special education expenditure" means all direct expenditures that are necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability according to sections 124D.454, 125A.03 to 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the department under section 125A.75, subdivision 4, excluding expenditures:

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;
- (4) for facilities;
- (5) for pupil transportation; and
- (6) for postemployment benefits.

(g) "Old formula special education expenditures" means expenditures eligible for revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

(h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe benefits of one-to-one instructional and behavior management aides and one-to-one licensed, certified professionals assigned to a child attending the academy, if the aides or professionals are required by the child's individualized education program.

(i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and 2.27 percent for fiscal year 2015.

(j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal year 2015.

(k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid increase limit for the previous fiscal year and \$40.

(l) "District" means a school district, a charter school, or a cooperative unit as defined in section 123A.24, subdivision 2. Notwithstanding section 123A.26, cooperative units as defined in section 123A.24, subdivision 2, are eligible to receive special education aid under this section and section 125A.79.

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

Sec. 19. Minnesota Statutes 2014, section 125A.76, subdivision 2c, is amended to read:

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

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

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

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

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

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

Sec. 20. **SPECIAL EDUCATION EVALUATION.**

Subdivision 1. **Special education teachers' compliance with legal requirements.** The Department of Education must identify ways to give teachers working with eligible children with disabilities sufficient written and online resources to make informed decisions about how to effectively comply with legal requirements related to providing special education programs and services, including writing individualized education programs and related documents, among other requirements. The department must work collaboratively with teachers working with eligible children with disabilities, other school and district staff, and representatives of affected organizations, including Education Minnesota, Minnesota School Boards Association, and Minnesota Administrators of Special Education, among others, to identify obstacles to and solutions for teachers' confusion about complying with legal requirements governing special education programs and services. The department must work with schools and districts to provide staff development training to better comply with applicable legal requirements while meeting the educational needs and improving the educational progress of eligible children with disabilities.

Subd. 2. **Efficiencies to reduce paperwork.** The Department of Education, in collaboration with teachers and administrators working with eligible children with disabilities in schools and districts, must identify strategies to effectively decrease the amount of time teachers spend completing paperwork for special education programs and services, evaluate whether the strategies are cost-effective, and determine whether other schools and districts are able to effectively use the strategies given available staff and resources. Where an evaluation shows that particular paperwork reduction strategies are cost-effective without undermining the purpose of the paperwork or the integrity of special education requirements, the department must electronically disseminate and promote the strategies to other schools and districts throughout the state.

Subd. 3. Special education forms; reading level. The Department of Education must determine the current reading level of its special education forms, establish a target reading level for such forms, and, based on that target level, determine whether alternative forms are needed to accommodate the lexical and sublexical cognitive processes of individual form users and readers. The department must work with interested special education stakeholders and reading experts in making the determinations and identification required in this subdivision.

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

Sec. 21. **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>\$1,170,508,000</u>	<u>.....</u>	<u>2016</u>
<u>\$1,229,706,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$137,932,000 for 2015 and \$1,032,576,000 for 2016.

The 2017 appropriation includes \$145,356,000 for 2016 and \$1,084,350,000 for 2017.

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>\$1,406,000</u>	<u>.....</u>	<u>2016</u>
<u>\$1,629,000</u>	<u>.....</u>	<u>2017</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>\$361,000</u>	<u>.....</u>	<u>2016</u>
<u>\$371,000</u>	<u>.....</u>	<u>2017</u>

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

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

Subd. 5. 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>\$56,000</u>	<u>.....</u>	<u>2016</u>
<u>\$57,000</u>	<u>.....</u>	<u>2017</u>

Subd. 6. 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>2016</u>
<u>\$250,000</u>	<u>.....</u>	<u>2017</u>

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

\$750,000

.....

2016

(b) Of this appropriation, \$500,000 is available to the commissioner to reimburse school districts for the cost of hiring experts to provide staff training in reducing district use of seclusion and restraint on students with complex needs.

(c) Of this appropriation, \$250,000 is available to the commissioner for the costs of providing specialized training and assistance to school districts with a high use of seclusion and restraint on students with complex needs.

(d) The commissioner may contract with experts from intermediate school district teams or level four programs to provide the specialized training and technical assistance.

(e) Any funds unexpended in fiscal year 2016 do not cancel but carry forward into the next fiscal year.

Sec. 22. **REPEALER.**

Minnesota Statutes 2014, section 125A.63, subdivision 1, is repealed.

ARTICLE 6
FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2014, section 123B.59, subdivision 6, is amended to read:

Subd. 6. **Alternative facilities aid.** A district's alternative facilities aid ~~is the amount equal to~~ equals 53.33 percent of the district's annual debt service costs, provided that the amount does not exceed the amount certified to be levied for those purposes for taxes payable in 1997, or for a district that made a levy under subdivision 5, paragraph (b), the lesser of the district's annual levy amount, or one-sixth of the amount of levy that it certified for that purpose for taxes payable in 1998 alternative facilities aid for fiscal year 2016.

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

Sec. 2. Minnesota Statutes 2014, section 123B.59, subdivision 7, is amended to read:

Subd. 7. **Alternative facilities appropriation.** (a) An amount not to exceed ~~\$19,700,000~~ \$20,000,000 for fiscal year ~~2000~~ 2016 and ~~\$20,000,000~~ \$11,187,000 for fiscal year ~~2004~~ 2017 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of alternative facilities aid under subdivision 6.

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

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

Sec. 3. Minnesota Statutes 2014, section 125B.26, subdivision 2, is amended to read:

Subd. 2. **E-rates.** To be eligible for aid under this section, a district, charter school, or intermediate school district is required to file an e-rate application either separately or through its telecommunications access cluster ~~and have a current technology plan on file with the department.~~ Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid under this section.

Sec. 4. **FAIR SCHOOL DOWNTOWN TRANSITION.**

Subdivision 1. **Student enrollment.** A student enrolled in the FAIR School downtown during the 2014-2015 school year and a student accepted for enrollment during the 2015-2016 school year may continue to enroll in the FAIR School downtown in any year through the 2018-2019 school year. For the 2015-2016 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

Subd. 2. **Compensatory revenue; literacy aid; alternative compensation revenue.** For the 2015-2016 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR School downtown based on the October 1, 2014, enrollment counts.

Subd. 3. **Pupil transportation.** The district may transport a pupil enrolled in the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school year to and from the FAIR School downtown in succeeding school years regardless of the pupil's district of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

EFFECTIVE DATE. This section is effective the day following the date on which the real and personal property of the FAIR School downtown in Minneapolis is conveyed to Special School District No. 1, Minneapolis.

Sec. 5. **FAIR SCHOOL CRYSTAL TRANSITION.**

Subdivision 1. **Student enrollment.** A student enrolled in the FAIR School Crystal during the 2014-2015 school year and a student accepted for enrollment during the 2015-2016 school year may continue to enroll in the FAIR School Crystal in any year through the 2019-2020 school year. For the 2015-2016 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

Subd. 2. **Compensatory revenue; literacy aid; alternative compensation revenue.** For the 2015-2016 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the FAIR School Crystal based on the October 1, 2014, enrollment counts.

Subd. 3. **Pupil transportation.** The district may transport a pupil enrolled in the 2014-2015 school year and a pupil accepted for enrollment during the 2015-2016 school year to and from the FAIR School Crystal in succeeding school years regardless of the pupil's district of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

EFFECTIVE DATE. This section is effective the day following the date on which the real and personal property of the FAIR School Crystal in Crystal is conveyed to Independent School District No. 281, Robbinsdale.

Sec. 6. **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>\$501,000</u>	<u>.....</u>	<u>2016</u>
<u>\$477,000</u>	<u>.....</u>	<u>2017</u>

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

The 2017 appropriation includes \$48,000 for 2016 and \$399,000 for 2017.

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, sections 123B.53, subdivision 6, and 123B.535, subdivision 5:

<u>\$20,349,000</u>	.....	<u>2016</u>
<u>\$22,171,000</u>	.....	<u>2017</u>

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

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

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>2016</u>
<u>\$11,187,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,928,000 for 2015 and \$17,359,000 for 2016.

The 2017 appropriation includes \$1,928,000 for 2016 and \$9,259,000 for 2017.

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

<u>\$3,750,000</u>	.....	<u>2016</u>
<u>\$3,750,000</u>	.....	<u>2017</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 2016 and 2017 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>\$3,520,000</u>	.....	<u>2016</u>
<u>\$2,714,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$409,000 for 2015 and \$3,111,000 for 2016.

The 2017 appropriation includes \$345,000 for 2016 and \$2,369,000 for 2017.

ARTICLE 7 NUTRITION AND ACCOUNTING

Section 1. Minnesota Statutes 2014, section 16A.103, subdivision 1c, is amended to read:

Subd. 1c. **Expenditure data.** (a) State agencies must submit any revisions in expenditure data the commissioner determines necessary for the forecast to the commissioner at least four weeks prior to the release of the forecast. The information submitted by state agencies and any modifications to that information made by the commissioner must be made available to legislative fiscal staff no later than three weeks prior to the release of the forecast.

(b) Notwithstanding paragraph (a), the Department of Education must submit any revisions in expenditure data to the commissioner at least three weeks before the release of the November forecast, and the commissioner must make E-12 expenditure data available to legislative fiscal staff no later than two weeks before the release of the November forecast.

Sec. 2. Minnesota Statutes 2014, section 123A.24, subdivision 1, is amended to read:

Subdivision 1. **Distribution of assets and liabilities.** (a) If a district withdraws from a cooperative unit defined in subdivision 2, the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(b) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to section 123B.02, subdivision 3. The district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(c) If the cooperative unit and the district cannot agree on the terms and conditions, the commissioner shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. If the dispute requires the commissioner to involve an administrative law judge, any fees due to the Office of Administrative Hearings must be equally split between the district and cooperative unit. The assets must be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(d) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (c).

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

Sec. 3. Minnesota Statutes 2014, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November ~~30~~ 15 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December ~~31~~ 15. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

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

Sec. 4. Minnesota Statutes 2014, section 125A.75, subdivision 9, is amended to read:

Subd. 9. **Litigation costs; annual report.** (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By ~~January 15~~ February 1 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 5. Minnesota Statutes 2014, section 127A.05, subdivision 6, is amended to read:

Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature by ~~January 15~~ February 1 of each odd-numbered year on the status of teacher early retirement patterns, the teacher shortage, and the substitute teacher shortage, including patterns and shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage and a five-year projection of teacher demand for each district.

Sec. 6. Minnesota Statutes 2014, section 127A.49, subdivision 1, is amended to read:

Subdivision 1. **Omissions.** No adjustments to any aid payments made pursuant to this chapter or chapters 120B, 122A, 123A, 123B, 124D, 125A, and 126C resulting from omissions in district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December ~~30~~ 15 of the next school year, unless otherwise specifically provided by law.

Sec. 7. Laws 2013, chapter 116, article 7, section 19, is amended to read:

Sec. 19. **FUND TRANSFER; FISCAL YEARS YEAR 2014 AND 2015 THROUGH FISCAL YEAR 2017 ONLY.** (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal ~~years year~~ year 2014 ~~and 2015~~ through fiscal year 2017 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, the food service fund, or the reserved account for staff development under section 122A.61.

(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. 8. **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>\$15,661,000</u>	.....	<u>2016</u>
<u>\$15,818,000</u>	.....	<u>2017</u>

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

<u>\$9,731,000</u>	.....	<u>2016</u>
<u>\$10,361,000</u>	.....	<u>2017</u>

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

<u>\$942,000</u>	.....	<u>2016</u>
<u>\$942,000</u>	.....	<u>2017</u>

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

<u>\$150,000</u>	<u>.....</u>	<u>2016</u>
<u>\$150,000</u>	<u>.....</u>	<u>2017</u>

ARTICLE 8 LIBRARIES

Section 1. Minnesota Statutes 2014, section 134.355, subdivision 8, is amended to read:

Subd. 8. **Eligibility.** A regional public library system may apply for regional library telecommunications aid. ~~The aid must be used for data and video access maintenance, equipment, or installation of telecommunication lines on behalf of itself and member public libraries. The aid must be used for connections and other eligible nonvoice related e-rate program category one services. Aid may be used for e-rate program category two services as identified in the Federal Communication Commission's eligible services list for the current and preceding four funding years, if sufficient funds remain once category one needs are met in each funding year.~~ To be eligible, a regional public library system must be officially designated by the commissioner of education as a regional public library system as defined in section 134.34, subdivision 3, and each of its participating cities and counties must meet local support levels defined in section 134.34, subdivision 1. A public library building that receives aid under this section must be open a minimum of 20 hours per week. Exceptions to the minimum open hours requirement may be granted by the Department of Education on request of the regional public library system for the following circumstances: short-term closing for emergency maintenance and repairs following a natural disaster; in response to exceptional economic circumstances; building repair or maintenance that requires public services areas to be closed; or to adjust hours of public service to respond to documented seasonal use patterns.

Sec. 2. Minnesota Statutes 2014, section 134.355, subdivision 9, is amended to read:

Subd. 9. **Telecommunications aid.** An application for regional library telecommunications aid must, at a minimum, contain information to document the following:

(1) the connections are adequate and employ an open network architecture that will ensure interconnectivity and interoperability with school districts, postsecondary education, or other governmental agencies;

(2) that the connection is established through the most cost-effective means and that the regional library has explored and coordinated connections through school districts, postsecondary education, or other governmental agencies;

(3) that the regional library system ~~has~~ and member libraries included in the application have filed or are included in an e-rate application; and

(4) other information, as determined by the commissioner of education, to ensure that connections are coordinated, efficient, and cost-effective, take advantage of discounts, and meet applicable state standards.

The library system may include costs associated with cooperative arrangements with postsecondary institutions, school districts, and other governmental agencies.

Sec. 3. Minnesota Statutes 2014, section 134.355, subdivision 10, is amended to read:

Subd. 10. **Award of funds.** The commissioner of education shall develop an application and a reporting form and procedures for regional library telecommunications aid. Aid shall be based on actual costs ~~of including, but not limited to,~~ connections, as documented in e-rate funding commitment decision letters for category one services and acceptable documentation for category two services and funds available for this purpose. The commissioner shall make payments directly to the regional public library system.

Sec. 4. **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 aid under Minnesota Statutes, section 134.355:

<u>\$13,570,000</u>	.....	<u>2016</u>
<u>\$13,570,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$1,357,000 for 2015 and \$12,213,000 for 2016.

The 2017 appropriation includes \$1,357,000 for 2016 and \$12,213,000 for 2017.

Subd. 3. Multicounty, multitype library systems. For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$1,300,000</u>	.....	<u>2016</u>
<u>\$1,300,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$130,000 for 2015 and \$1,170,000 for 2016.

The 2017 appropriation includes \$130,000 for 2016 and \$1,170,000 for 2017.

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>2016</u>
<u>\$900,000</u>	.....	<u>2017</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>2016</u>
<u>\$2,300,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$230,000 for 2015 and \$2,070,000 for 2016.

The 2017 appropriation includes \$230,000 for 2016 and \$2,070,000 for 2017.

ARTICLE 9
EARLY CHILDHOOD EDUCATION

Section 1. Minnesota Statutes 2014, section 121A.17, subdivision 5, is amended to read:

Subd. 5. **Developmental screening program information.** (a) The board must inform each resident family with a child eligible to participate in the developmental screening program, and a charter school that provides screening must inform families that apply for admission to the charter school, about the availability of the program

and the state's requirement that a child receive a developmental screening or provide health records indicating that the child received a comparable developmental screening from a public or private health care organization or individual health care provider not later than 30 days after the first day of attending kindergarten in a public school. A school district must inform all resident families with eligible children under age seven, and a charter school that provides screening must inform families that apply for admission to the charter school, that their children may receive a developmental screening conducted either by the school district or by a public or private health care organization or individual health care provider and that the screening is not required if a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened.

(b) A school district that enrolls students from an adjoining state under section 124D.041 may inform a nonresident child whose family resides at a Minnesota address as assigned by the United States Postal Service about the availability of the developmental screening program and may provide screening under this section to that child.

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

Sec. 2. Minnesota Statutes 2014, section 124D.041, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 2014, section 124D.041, subdivision 2, is amended to read:

Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in Minnesota pursuant to this section is included in the receiving school district's average daily membership and pupil units according to section 126C.05 as if the student were a resident of another Minnesota school district attending the receiving school district under section 124D.03.

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

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

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

Sec. 4. **[124D.1295] EARLY LEARNING PROGRAM COORDINATION.**

Subdivision 1. **Early learning program coordination.** A school board, after receiving written comments from its early childhood advisory council, may adopt a resolution allowing the district to offer a coordinated early learning program. A coordinated early learning program may provide early childhood family education services, school readiness services, and other early learning programs providing services to parents and children.

Subd. 2. **Early learning program revenue sources.** A school district's early learning program revenue includes its early childhood family education revenue under section 124D.135, school readiness program revenue under section 124D.16, and any other revenues set aside for early learning activities.

Subd. 3. **Reserve account.** A district that offers a coordinated early learning program must place all of the revenue it receives under subdivision 2 in an early learning program reserve account established in the community service fund.

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

Sec. 5. Minnesota Statutes 2014, section 124D.13, is amended to read:

124D.13 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) PROGRAMS.

Subdivision 1. **Establishment; purpose.** A district that provides a community education program under sections 124D.18 and 124D.19 may establish an early childhood family education program as an individual program or as a part of an early learning program under section 124D.1295. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood family education program. The purpose of the early childhood family education program is to provide parenting education to support children's learning and development.

Subd. 2. **Program requirements.** (a) Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents and other relatives of these children, and for expectant parents. To the extent that funds are insufficient to provide programs for all children, early childhood family education programs should emphasize programming for a child from birth to age three and encourage parents and other relatives to involve four- and five-year-old children in school readiness programs, and other public and nonpublic early learning programs. A district may not limit participation to school district residents. Early childhood family education programs must provide:

(1) programs to educate parents and other relatives about the physical, cognitive, social, and emotional development of children and to enhance the skills of parents and other relatives in providing for their children's learning and development;

(2) structured learning activities requiring interaction between children and their parents or relatives;

(3) structured learning activities for children that promote children's development and positive interaction with peers, which are held while parents or relatives attend parent education classes;

(4) information on related community resources;

(5) information, materials, and activities that support the safety of children, including prevention of child abuse and neglect;

(6) a community needs assessment that identifies new and underserved populations, identifies child and family risk factors, particularly those that impact children's learning and development, and assesses family and parenting education needs in the community;

(7) programming and services that are tailored to the needs of families and parents prioritized in the community needs assessment; and

(8) information about and, if needed, assist in making arrangements for an early childhood health and developmental screening under sections 121A.16 and 121A.17, when the child nears the third birthday.

Early childhood family education programs should prioritize programming and services for families and parents identified in the community needs assessment, particularly those families and parents with children with the most risk factors birth to age three.

Early childhood family education programs are encouraged to provide parents of English learners with translated oral and written information to monitor the program's impact on their children's English language development, to know whether their children are progressing in developing their English and native language proficiency, and to actively engage with and support their children in developing their English and native language proficiency.

The programs must include learning experiences for children, parents, and other relatives that promote children's early literacy and, where practicable, their native language skills and activities for children that require substantial involvement of the children's parents or other relatives. The program may provide parenting education programming or services to anyone identified in the community needs assessment. Providers must review the program periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The programs must encourage parents to be aware of practices that may affect equitable development of children.

(b) For the purposes of this section, "relative" or "relatives" means noncustodial grandparents or other persons related to a child by blood, marriage, adoption, or foster placement, excluding parents.

Subd. 3. Substantial parental involvement. The requirement of substantial parental or other relative involvement in subdivision 2 means that:

(a) parents or other relatives must be physically present much of the time in classes with their children or be in concurrent classes;

(b) parenting education or family education must be an integral part of every early childhood family education program;

(c) early childhood family education appropriations must not be used for traditional day care or nursery school, or similar programs; and

(d) the form of parent involvement common to kindergarten, elementary school, or early childhood special education programs such as parent conferences, newsletters, and notes to parents do not qualify a program under subdivision 2.

Subd. 4. **Home visiting program.** (a) A district that levies for home visiting under section 124D.135, subdivision 6, shall use this revenue to include as part of the early childhood family education programs a parent education component that is designed to reach isolated or at-risk families.

The home visiting program must:

(1) incorporate evidence-informed parenting education practices designed to support the healthy growth and development of children, with a priority focus on reaching those children who have high needs at as early an age as possible;

(2) establish clear objectives and protocols for home visits;

(3) encourage families to make a transition from home visits to site-based parenting programs;

(4) provide program services that are community-based, accessible, and culturally relevant;

(5) foster collaboration among existing agencies and community-based organizations that serve young children and their families, such as public health evidence-based models of home visiting and Head Start home visiting; and

(6) provide information about and assist in making arrangements for an early childhood health and developmental screening when the child nears his or her third birthday.

The home visiting program should be provided by licensed parenting educators, certified family life educators, or professionals with an equivalent license that reflect the demographic composition of the community to the extent possible.

(b) A home visiting program must include information focused on early brain development, including but not limited to brain development at different life stages, expectations of cognitive functions at different life stages, suggested activities to encourage healthy brain development, and suggested activities to discourage negative brain development based on a child's surroundings.

Subd. 5. **Separate accounts.** ~~The~~ A district operating an early childhood family education program independent of an early learning program under section 124D.1295 must maintain a separate account within the community education fund for money for early childhood family education programs.

Subd. 6. **Participants' fees.** A district must establish a reasonable sliding fee scale but it shall waive the fee for a participant unable to pay.

Subd. 7. **Additional funding.** A district may receive funds from any governmental agency or private source.

Subd. 8. **Coordination.** (a) A district must describe strategies to coordinate and maximize public and private community resources and reduce duplication of services.

(b) A district is encouraged to coordinate adult basic education programs provided to parents and early childhood family education programs provided to children to accomplish the goals of section 124D.895.

Subd. 9. **District advisory councils.** The board must appoint an advisory council from the area in which the program is provided. A majority of the council must be parents participating in the program, who represent the demographics of the community. The district must ensure, to the extent possible, that the council includes representation of families who are racially, culturally, linguistically, and economically diverse. The council must assist the board in developing, planning, and monitoring the early childhood family education program and the early learning program under section 124D.1295. The council must report to the board and the community education advisory council.

Subd. 10. **Alternative council.** A board may direct the community education council, required according to section 124D.19, subdivision 2, to perform the functions of the Advisory Council for Early Childhood Family Education.

Subd. 11. **Teachers.** A school board must employ necessary licensed teachers for its early childhood family education programs. The Board of Teaching, at its discretion, may grant an applicant a variance under this subdivision, consistent with sections 122A.09, subdivision 10, and 122A.25, and Board of Teaching rules.

Subd. 12. **Assistance.** The department must provide assistance to districts with programs described in this section. The department must establish guidelines that list barriers to learning and development affecting children served by early childhood family education programs.

Subd. 13. **Program data submission requirements.** Districts receiving early childhood family education revenue under section 124D.135 must submit annual program data, including data that demonstrates the program response to the community needs assessment, to the department by July 15 in the form and manner prescribed by the commissioner.

Subd. 14. **Supervision.** A program provided by a board must be supervised by a licensed early childhood teacher or a licensed parent educator.

Subd. 15. **Parenting education transition program.** To the extent that funds are sufficient, early childhood family education may provide parenting education transition programming for parents of children birth to grade three in districts in which there is a prekindergarten-grade three initiative in order to facilitate continued parent engagement in children's learning and development. Early childhood family education programs are encouraged to develop partnerships to provide a parenting education liaison to providers of other public and nonpublic early learning programs, such as Head Start, school readiness, child care, early childhood special education, local public health programs, and health care providers.

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

Sec. 6. Minnesota Statutes 2014, section 124D.135, is amended to read:

124D.135 EARLY CHILDHOOD FAMILY EDUCATION (ECFE) REVENUE.

Subdivision 1. **Revenue.** The revenue for early childhood family education programs for a school district equals ~~\$120 for fiscal year 2014 and~~ the formula allowance for the year times 0.023 ~~for fiscal year 2015 and later,~~ times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of the previous school year.

Subd. 2. **Population.** For the purposes of subdivision 1, data reported to the department may be used to determine the number of people under five years of age residing in the district. The commissioner, with the assistance of the state demographer, shall review the number reported by any district operating an early childhood family education program. If requested, the district shall submit to the commissioner an explanation of its methods and other information necessary to document accuracy. If the commissioner determines that the district has not provided sufficient documentation of accuracy, the commissioner may request the state demographer to prepare an estimate of the number of people under five years of age residing in the district and may use this estimate for the purposes of subdivision 1.

Subd. 3. **Early childhood family education levy.** By September 30 of each year, the commissioner shall establish a tax rate for early childhood family education revenue that raises \$22,135,000 in each fiscal year. If the amount of the early childhood family education levy would exceed the early childhood family education revenue, the early childhood family education levy must equal the early childhood family education revenue. A district may not certify an early childhood family education levy unless it has met the annual program data reporting requirements under section 124D.13, subdivision 13.

Subd. 4. **Early childhood family education aid.** If a district complies with the provisions of section 124D.13, it must receive early childhood family education aid equal to the difference between the early childhood family education revenue and the early childhood family education levy. If the district does not levy the entire amount permitted, the early childhood family education aid must be reduced in proportion to the actual amount levied.

Subd. 5. **Use of revenue restricted.** (a) Early childhood family education revenue may be used only for early learning programs, including early childhood family education programs.

(b) Not more than five percent of early childhood family education revenue, as defined in subdivision 7, may be used to administer early childhood family education programs.

(c) An early childhood family education program may use up to ten percent of its early childhood family education revenue as defined in subdivision 1, including revenue from participant fees, for equipment that is used in the early childhood family education program. This revenue may only be used for the following purposes:

- (1) to purchase or lease computers and related materials; and
- (2) to purchase or lease equipment for instruction for participating children and their families.

If a district anticipates an unusual circumstance requiring its early childhood family education program capital expenditures to exceed the ten percent limitation, prior approval to exceed the limit must be obtained in writing from the commissioner.

Subd. 6. **Home visiting levy.** A district that is eligible to levy for early childhood family education under subdivision 3 and that enters into a collaborative agreement to provide education services and social services to families with young children may levy an amount equal to \$1.60 times the number of people under five years of age residing in the district on September 1 of the last school year. Levy revenue under this subdivision must not be included as revenue under subdivision 1. The revenue must be used for home visiting programs under section 124D.13, subdivision 4.

Subd. 7. **Reserve account.** Early childhood family education revenue, which includes aids, levies, fees, grants, and all other revenues received by the district for early childhood family education programs, must be maintained in either an early learning program reserve account or a separate early childhood family education reserve account within the community service fund.

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

Sec. 7. Minnesota Statutes 2014, section 124D.16, is amended to read:

124D.16 SCHOOL READINESS AID.

Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) A district must receive school readiness aid equal to:

(1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of four-year-old children reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program for the previous school year.

(c) For fiscal year ~~2015~~ 2016 and later, the total school readiness aid entitlement equals ~~\$12,170,000~~ \$17,170,000.

Subd. 3. **Use of aid.** School readiness aid shall be used only to provide a school readiness program or an early learning program and may be used to provide transportation. Not more than five percent of program revenue, as defined in subdivision 5, may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under sections 125A.03 to 125A.24 and 125A.65. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Subd. 5. **Reserve account.** School readiness revenue, which includes aids, fees, grants, and all other revenues received by the district school readiness programs, must be maintained in either an early learning program reserve account or a separate school readiness reserve account within the community service fund.

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

Sec. 8. Minnesota Statutes 2014, section 124D.165, is amended to read:

124D.165 EARLY LEARNING SCHOLARSHIPS.

Subdivision 1. **Establishment; purpose.** There is established within the Office of Early Learning an early learning scholarships program ~~in order~~ to increase access to high-quality early childhood programs for children ages three to five.

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food

Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma or postsecondary training or education is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

(d) Beginning September 1, 2015, any child under the age of five years old on September 1 of the current school year who has not started kindergarten and is a recipient of an early learning scholarship funded under the federal Race to the Top - Early Learning Challenge Grant must receive a scholarship under this section at the end of the child's Race to the Top - Early Learning Challenge Grant scholarship as long as funds are available.

~~(d)~~ (e) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

~~(e)~~ (f) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(g) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

(h) County human services agencies working with families eligible for the basic sliding fee child care program under chapter 119B, including the families on the basic sliding fee waiting list, annually may notify these families by mail about the eligibility criteria and the application process for receiving an early learning scholarship under this section.

Subd. 3. **Administration.** (a) The ~~commissioner~~ director of the Office of Early Learning shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs.

(b) The ~~commissioner~~ director may prioritize applications on factors including:

(1) family income;

(2) geographic location; and

(3) whether the ~~child's family~~ child;

(i) is in foster care;

(ii) is experiencing homelessness;

(iii) is on a waiting list for a publicly funded program providing early education or child care services; or

(iv) has a parent under age 21 who is pursuing a high school or postsecondary training or education.

~~(b)~~ (c) For fiscal years 2014 and 2015 only, scholarships may not exceed \$5,000 per year for each eligible child. For fiscal year 2016 and later, the ~~commissioner~~ director shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02, not to exceed the statewide general education revenue per pupil in adjusted average daily membership. The director may increase by up to 15 percent the scholarship amount for children enrolled in a three-star Parent Aware-rated program and may increase by up to 20 percent the scholarship amount for children enrolled in a four-star Parent Aware-rated program so long as any increase added to the average scholarship amount does not exceed the actual program rate or tuition.

~~(c)~~ (d) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the ~~commissioner~~ director, in the form and manner prescribed by the ~~commissioner~~ director, each year of the program's desire ~~to enhance program services or to serve more children than current funding provides.~~ The commissioner director may designate a predetermined number of scholarship slots for that program and notify the program of that number. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph, a licensed child care center, or a family child care provider may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants. Scholarships awarded under this paragraph must be paid to the eligible program provider designated by the award recipient, and must be transferred to another eligible program provider at the recipient's request.

~~(d)~~ (e) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

~~(e)~~ (f) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program.

~~(f)~~ (g) For fiscal year ~~2017~~ 2016 and later, ~~a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.~~ the total amount of funding directly allocated to a program under paragraph (d) must not exceed the amount directly awarded to those programs in fiscal year 2015.

Subd. 4. **Early childhood program eligibility.** (a) ~~In order~~ To be eligible to accept an early learning scholarship, a program must:

(1) participate in the quality rating and improvement system under section 124D.142; and

(2) beginning July 1, ~~2016~~ 2020, have a three- or four-star rating in the quality rating and improvement system or be a program the director determines is eligible based on an evidence-based program evaluation or program review.

~~(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.~~

(e) (b) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.

(c) A provider is not eligible to participate in the scholarship program under this section if:

(1) the provider has been disqualified from receiving payment for child care services from the child care assistance program under chapter 119B due to wrongfully obtaining child care assistance under section 256.98, subdivision 8, paragraph (c);

(2) the program or individual is currently on the national disqualified list for the Child and Adult Care Food Program; or

(3) the program or provider has been convicted of any activity that occurred during the past seven years indicating a lack of business integrity, including fraud, making false statements, receiving stolen property, making false claims, or obstruction of justice.

Subd. 4a. **Record-keeping requirements.** A program participating under this section must maintain and, at the director's request, make available to the director the attendance records and records of charges and payments for all children participating in this program, including payments from sources other than this program.

Subd. 5. **Report required.** The ~~commissioner~~ director shall contract with an independent contractor to evaluate the early learning scholarship program. The evaluation must include recommendations regarding the appropriate scholarship amount, efficiency, and effectiveness of the administration, and impact on kindergarten readiness. By January 15, 2016, the ~~commissioner~~ director shall submit a written copy of the evaluation to the chairs and ranking minority members of the legislative committees and divisions with primary jurisdiction over kindergarten through grade 12 education.

Subd. 6. **Use of funds.** (a) Scholarships must be used to supplement and not supplant federal funding.

(b) A scholarship must be used in a program the child regularly attends to ensure the child's access to the general curriculum of the program, consistent with the program schedule.

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

Sec. 9. Minnesota Statutes 2014, section 125A.03, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 10. **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>\$16,670,000</u>	<u>.....</u>	<u>2016</u>
<u>\$17,170,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$1,217,000 for 2015 and \$15,453,000 for 2016.

The 2017 appropriation includes \$1,717,000 for 2016 and \$15,453,000 for 2017.

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

<u>\$27,698,000</u>	<u>.....</u>	<u>2016</u>
<u>\$28,346,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$2,713,000 for 2015 and \$24,985,000 for 2016.

The 2017 appropriation includes \$2,776,000 for 2016 and \$25,570,000 for 2017.

Subd. 4. **Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<u>\$3,363,000</u>	.....	<u>2016</u>
<u>\$3,369,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$338,000 for 2015 and \$3,025,000 for 2016.

The 2017 appropriation includes \$336,000 for 2016 and \$3,033,000 for 2017.

Subd. 5. **Head Start program.** (a) For Head Start programs under Minnesota Statutes, section 119A.52:

<u>\$20,100,000</u>	.....	<u>2016</u>
<u>\$20,100,000</u>	.....	<u>2017</u>

(b) Head Start programs must use the funds under this subdivision to increase the number of eligible children served beyond the number of eligible children served under federal funds.

(c) No Head Start programs providing compensation or other employment benefits that exceed established federal limits may receive funding under this subdivision.

Subd. 6. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

<u>\$49,000</u>	.....	<u>2016</u>
<u>\$49,000</u>	.....	<u>2017</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>2016</u>
<u>\$281,000</u>	.....	<u>2017</u>

Subd. 8. **Early learning scholarships.** For the early learning scholarship program under Minnesota Statutes, section 124D.165:

<u>\$37,884,000</u>	.....	<u>2016</u>
<u>\$47,884,000</u>	.....	<u>2017</u>

Up to \$950,000 each year is for administration of this program.

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

Subd. 9. **Parent-child home program.** For a grant to the parent-child home program:

<u>\$350,000</u>	.....	<u>2016</u>
<u>\$350,000</u>	.....	<u>2017</u>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2016 and 2017.

Subd. 10. Northside Achievement Zone. For a grant to the Northside Achievement Zone:

<u>\$200,000</u>	<u>.....</u>	<u>2016</u>
<u>\$200,000</u>	<u>.....</u>	<u>2017</u>

Funds appropriated in this section are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for Northside Achievement Zone programming and services consistent with federal Promise Neighborhood program agreements and requirements.

Subd. 11. St. Paul Promise Neighborhood. For a grant to the St. Paul Promise Neighborhood:

<u>\$200,000</u>	<u>.....</u>	<u>2016</u>
<u>\$200,000</u>	<u>.....</u>	<u>2017</u>

Funds appropriated in this section are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for St. Paul Promise Neighborhood programming and services consistent with federal Promise Neighborhood program agreements and requirements.

Subd. 12. Quality Rating System. For transfer to the commissioner of human services for the purposes of expanding the Quality Rating and Improvement System under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the Quality Rating and Improvement System:

<u>\$1,200,000</u>	<u>.....</u>	<u>2016</u>
<u>\$2,300,000</u>	<u>.....</u>	<u>2017</u>

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

ARTICLE 10
PREVENTION

Section 1. **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>\$788,000</u>	<u>.....</u>	<u>2016</u>
<u>\$554,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$107,000 for 2015 and \$681,000 for 2016.

The 2017 appropriation includes \$75,000 for 2016 and \$479,000 for 2017.

Subd. 3. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:

<u>\$710,000</u>	<u>.....</u>	<u>2016</u>
<u>\$710,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$71,000 for 2015 and \$639,000 for 2016.

The 2017 appropriation includes \$71,000 for 2016 and \$639,000 for 2017.

Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

<u>\$70,000</u>	.....	<u>2016</u>
<u>\$70,000</u>	.....	<u>2017</u>

Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes, section 124D.22:

<u>\$1,000</u>	.....	<u>2016</u>
<u>\$1,000</u>	.....	<u>2017</u>

The 2016 appropriation includes \$0 for 2015 and \$1,000 for 2016.

The 2017 appropriation includes \$0 for 2016 and \$1,000 for 2017.

ARTICLE 11 SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2014, 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 2011 equals \$44,419,000, 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) ~~4.03~~ 1.005; or

(ii) the average growth in state total contact hours over the prior ten program years.

Three 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 fiscal year 2016 and later.

Sec. 2. Minnesota Statutes 2014, section 124D.531, subdivision 2, is amended to read:

Subd. 2. **Basic population aid.** (a) A district is eligible for basic population aid if the district has a basic service level approved by the commissioner under section 124D.52, subdivision 5, or is a member of a consortium with an approved basic service level. Basic population aid is equal to the greater of \$3,844 or \$1.73 times the population of the district. District population is determined according to section 275.14.

(b) The basic population aid for approved community-based providers of an adult basic education program without a specific defined district population equals \$1.73 times the number of students participating in the program during the previous calendar year.

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

Sec. 3. Minnesota Statutes 2014, section 124D.531, subdivision 3, is amended to read:

Subd. 3. **Program revenue.** Adult basic education programs established under section 124D.52 and approved by the commissioner are eligible for revenue under this subdivision. ~~For fiscal year 2001 and later,~~ Adult basic education revenue for each approved program equals the sum of:

(1) the basic population aid under subdivision 2 for districts participating in the program during the current program year; ~~plus~~

(2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the contact hours for students participating in the program during the first prior program year to the state total contact hours during the first prior program year; ~~plus~~

(3) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the enrollment of English learners during the second prior school year in districts participating in the program during the current program year to the state total enrollment of English learners during the second prior school year in districts participating in adult basic education programs during the current program year; ~~plus~~

(4) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the latest federal census count of the number of adults aged 25 or older with no diploma residing in the districts participating in the program during the current program year to the latest federal census count of the state total number of adults aged 25 or older with no diploma residing in the districts participating in adult basic education programs during the current program year; and

(5) for an approved community-based provider of an adult basic education program without district characteristics necessary to calculate revenue under clauses (3) and (4), the average revenue per participant for programs receiving revenue under those clauses for the previous year, times the program's participants for the previous year.

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

Sec. 4. **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>\$48,036,000</u>	<u>.....</u>	<u>2016</u>
<u>\$48,276,000</u>	<u>.....</u>	<u>2017</u>

The 2016 appropriation includes \$4,782,000 for 2015 and \$43,254,000 for 2016.

The 2017 appropriation includes \$4,806,000 for 2016 and \$43,470,000 for 2017.

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>2016</u>
<u>\$125,000</u>	.....	<u>2017</u>

ARTICLE 12
STATE AGENCIES

Section 1. **[119A.035] SCHOOL CRISIS RESPONSE TEAMS.**

Subdivision 1. **Commissioner's duties.** To ensure timely responses to school crises, the commissioner must work in cooperation with the Minnesota School Safety Center to collect, maintain, and make available to schools contact information for crisis response teams throughout the state.

Subd. 2. **Crisis response teams.** In regions of Minnesota where an existing crisis response team has not been formed by a school district, county, or city, the commissioner, in cooperation with the Minnesota School Safety Center, must convene a working group in each region to develop a plan to form a crisis response team for that region. Team members from the public and private sectors may represent various disciplines, including school administrators, guidance counselors, psychologists, social workers, teachers, nurses, security experts, media relations professionals, and other related areas.

Sec. 2. Minnesota Statutes 2014, section 122A.14, subdivision 9, is amended to read:

Subd. 9. **Fee.** Each person licensed by the Board of School Administrators shall pay the board a fee of \$75, collected each fiscal year. When transmitting notice of the license fee, the board also must notify the licensee of the penalty for failing to pay the fee within the time specified by the board. The board may provide a lower fee for persons on retired or inactive status. After receiving notice from the board, any licensed school administrator who does not pay the fee in the given fiscal year shall have all administrative licenses held by the person automatically suspended, without the right to a hearing, until the fee has been paid to the board. If the board suspends a licensed school administrator for failing to pay the fee, it must immediately notify the district currently employing the school administrator of the school administrator's suspension. The executive secretary shall deposit the fees in the educator licensure account in the special revenue fund in the state treasury.

Sec. 3. Minnesota Statutes 2014, section 122A.18, subdivision 7c, is amended to read:

Subd. 7c. **Temporary military license.** The Board of Teaching shall establish a temporary license in accordance with section 197.4552 for teaching. The fee for a temporary license under this subdivision shall be \$87.90 for an online application or \$86.40 for a paper application. Fee revenue must be deposited in the educator licensure account in the special revenue fund.

Sec. 4. Minnesota Statutes 2014, section 122A.18, subdivision 8, is amended to read:

Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner of education must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all applicants for initial licenses under their jurisdiction. An application for a license under this section must be accompanied by:

- (1) an executed criminal history consent form, including fingerprints; and

(2) ~~a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting payment to conduct the criminal history background check. Proceeds from this fee must be deposited in the educator licensure background check account in the special revenue fund.~~

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.

Sec. 5. **[122A.185] SPECIAL REVENUE FUND ACCOUNTS; EDUCATOR LICENSURE AND BACKGROUND CHECKS.**

Subdivision 1. Educator licensure account. An educator licensure account is created in the special revenue fund. Fees received by the Department of Education, the Board of Teaching, or the Board of Administrators must be deposited in the educator licensure account. Any funds appropriated from this account that remain unexpended at the end of the biennium cancel to the educator licensure account in the special revenue fund.

Subd. 2. Background check account. An educator licensure background check account is created in the special revenue fund. Payments received by the Department of Education, the Board of Teaching, or the Board of Administrators for the costs of the background checks to be conducted by the Bureau of Criminal Apprehension must be deposited in the education licensure background check account. Amounts in the account are appropriated to the commissioner of education for payment to the superintendent of the Bureau of Criminal Apprehension for the costs of background checks on applicants for licensure.

Sec. 6. Minnesota Statutes 2014, section 122A.21, subdivision 1, is amended to read:

Subdivision 1. **Licensure applications.** Each application for the issuance, renewal, or extension of a license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by a processing fee of \$57. Each application for issuing, renewing, or extending the license of a school administrator or supervisor must be accompanied by a processing fee in the amount set by the Board of Teaching. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board. ~~The executive secretary of the board shall deposit the fees with the commissioner of management and budget~~ must be deposited in the educator licensure account in the special revenue fund. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of management and budget in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

Sec. 7. Minnesota Statutes 2014, section 122A.21, subdivision 2, is amended to read:

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

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

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

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

Sec. 8. **TRANSFERS.**

Subdivision 1. Portfolio account. On July 1, 2015, the commissioner of management and budget shall transfer any balances in the educator licensure portfolio account in the special revenue fund to an educator licensure account in the special revenue fund.

Subd. 2. Background check. Any balance in an account that holds fees collected under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the education licensure background check account in the special revenue fund in Minnesota Statutes, 122A.185, subdivision 2. On July 2, 2015, \$80,000 is transferred from the education licensure background check account in the special revenue fund to the educator licensure account in the special revenue fund.

Sec. 9. **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>\$18,032,000</u>	<u>.....</u>	<u>2016</u>
<u>\$17,652,000</u>	<u>.....</u>	<u>2017</u>

(b) The fiscal year 2016 appropriation includes \$17,142,000 from the general fund and \$890,000 from the educator licensure account in the special revenue fund. The fiscal year 2017 appropriation includes \$16,867,000 from the general fund and \$745,000 from the educator licensure account in the special revenue fund.

(c) Of these amounts:

(1) \$260,000 each year is for the Minnesota Children's Museum;

(2) \$50,000 each year is for the Duluth Children's Museum;

(3) \$41,000 each year is for the Minnesota Academy of Science; and

(4) \$25,000 each year is for administration of the Innovative Education Pilot under Laws 2012, chapter 263, section 1.

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

(e) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C. office.

(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) This appropriation includes funds for information technology project services and support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into the service level agreement and will be paid to the Office of MN.IT Services by the Department of Education under the rates and mechanism specified in that agreement.

(h) \$720,000 in fiscal year 2016 and \$720,000 in fiscal year 2017 of the appropriation in paragraph (a) are from the educator licensure account in the special revenue fund for the educator licensure division to support the Boards of Teaching and Administrators.

(i) \$50,000 in fiscal year 2016 of the appropriation in paragraph (a) is from the educator licensure account in the special revenue fund for IT-related costs associated with rulemaking for out-of-state teacher candidates.

(j) \$120,000 in fiscal year 2016 and \$25,000 in fiscal year 2017 in paragraph (a) are from the educator licensure account in the special revenue fund for IT-related costs associated with establishing interstate teacher licensure agreements.

(k) \$23,000 each year is for collecting data on the number of deaths and hospitalizations for students who participate in travel abroad programs.

(l) \$58,000 each year is for the Board of School Administrators.

Sec. 10. APPROPRIATIONS; BOARD OF TEACHING.

(a) \$618,000 in fiscal year 2016 and \$618,000 in fiscal year 2017 are appropriated from the educator licensure account in the special revenue fund to the Board of Teaching.

(b) \$130,000 in fiscal year 2016 is appropriated from the educator licensure account in the special revenue fund for rulemaking related to additional teacher licensure activities.

(c) \$25,000 in fiscal year 2016 and \$25,000 in fiscal year 2017 are appropriated from the educator licensure account in the special revenue fund for travel and communications costs associated with establishing interstate teacher licensure agreements with adjoining states.

Sec. 11. APPROPRIATIONS; BOARD OF SCHOOL ADMINISTRATORS.

\$167,000 in fiscal year 2016 and \$167,000 in fiscal year 2017 are appropriated from the educator licensure account in the special revenue fund to the Board of School Administrators.

Sec. 12. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) 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>\$12,672,000</u>	<u>.....</u>	<u>2016</u>
<u>\$12,454,000</u>	<u>.....</u>	<u>2017</u>

(b) Of the amounts appropriated in paragraph (a), \$708,000 in fiscal year 2016 and \$490,000 in fiscal year 2017 are for technology enhancements and may be used for: (1) computer hardware; (2) computer software; (3) connectivity, communications, and infrastructure; (4) assistive technology; (5) access to electronic books and other online materials, licenses, and subscriptions; and (6) technology staff and training costs.

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

(d) The base for 2018 and later is \$11,964,000.

Sec. 13. **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>\$6,773,000</u>	.....	<u>2016</u>
<u>\$6,773,000</u>	.....	<u>2017</u>

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

ARTICLE 13
FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 2, as amended by Laws 2013, chapter 144, section 7, and Laws 2014, chapter 312, article 15, section 26, is amended to read:

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

<u>\$6,851,419,000</u>	.....	<u>2014</u>
\$ 6,464,199,000 <u>6,443,330,000</u>	.....	<u>2015</u>

The 2014 appropriation includes \$780,156,000 for 2013 and \$6,071,263,000 for 2014.

The 2015 appropriation includes ~~\$589,095,000~~ \$586,824,000 for 2014 and ~~\$5,875,104,000~~ \$5,856,506,000 for 2015.

Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 1, 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:

<u>\$37,000</u>	.....	<u>2014</u>
\$ 40,000 <u>36,000</u>	.....	<u>2015</u>

Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 2, is amended to read:

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

<u>\$2,876,000</u>	.....	<u>2014</u>
\$ 3,103,000 <u>2,796,000</u>	.....	<u>2015</u>

The 2014 appropriation includes \$301,000 for 2013 and \$2,575,000 for 2014.

The 2015 appropriation includes \$286,000 for 2014 and ~~\$2,817,000~~ \$2,510,000 for 2015.

Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 5, as amended by Laws 2014, chapter 312, article 22, section 3, is amended to read:

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

\$585,000	.....	2014
\$ 254,000 <u>263,000</u>	.....	2015

The 2014 appropriation includes \$40,000 for 2013 and \$545,000 for 2014.

The 2015 appropriation includes \$60,000 for 2014 and ~~\$194,000~~ \$203,000 for 2015.

Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 6, as amended by Laws 2014, chapter 312, article 15, section 27, 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:

\$15,867,000	.....	2014
\$ 16,132,000 <u>15,569,000</u>	.....	2015

The 2014 appropriation includes \$1,898,000 for 2013 and \$13,969,000 for 2014.

The 2015 appropriation includes ~~\$1,552,000~~ \$1,394,000 for 2014 and ~~\$14,580,000~~ \$14,175,000 for 2015.

Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 7, as amended by Laws 2014, chapter 312, article 15, section 28, is amended to read:

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

\$18,500,000	.....	2014
\$ 17,710,000 <u>18,118,000</u>	.....	2015

The 2014 appropriation includes \$2,602,000 for 2013 and \$15,898,000 for 2014.

The 2015 appropriation includes \$1,766,000 for 2014 and ~~\$15,944,000~~ \$16,352,000 for 2015.

Sec. 7. Laws 2013, chapter 116, article 1, section 58, subdivision 11, as amended by Laws 2014, chapter 312, article 22, section 4, is amended to read:

Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

\$3,959,000	.....	2014
\$ 5,172,000 <u>5,617,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2013 and \$3,959,000 for 2014.

The 2015 appropriation includes ~~\$439,000~~ \$445,000 for 2014 and ~~\$4,733,000~~ \$5,172,000 for 2015.

B. EDUCATION EXCELLENCE

Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 5, is amended to read:

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

\$55,609,000	.....	2014
\$ 62,692,000 <u>63,831,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2013 and \$55,609,000 for 2014.

The 2015 appropriation includes ~~\$6,178,000~~ \$6,386,000 for 2014 and ~~\$56,514,000~~ \$57,445,000 for 2015.

Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 6, is amended to read:

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

\$50,998,000	.....	2014
\$ 47,458,000 <u>44,839,000</u>	.....	2015

The 2014 appropriation includes \$6,607,000 for 2013 and \$44,391,000 for 2014.

The 2015 appropriation includes \$4,932,000 for 2014 and ~~\$42,526,000~~ \$39,907,000 for 2015.

Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 5, as amended by Laws 2014, chapter 312, article 22, section 7, is amended to read:

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

\$13,521,000	.....	2014
\$ 14,248,000 <u>14,261,000</u>	.....	2015

Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 20, as amended by Laws 2013, chapter 144, section 10, and Laws 2014, chapter 312, article 22, section 9, is amended to read:

Subd. 20. **Alternative compensation.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ 71,599,000 <u>69,899,000</u>	2015
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The 2015 appropriation includes \$0 for 2014 and ~~\$71,599,000~~ \$69,899,000 for 2015.

C. CHARTER SCHOOLS

Sec. 12. Laws 2013, chapter 116, article 4, section 9, subdivision 2, as amended by Laws 2014, chapter 312, article 22, section 10, is amended to read:

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

	\$54,625,000	.....	2014
\$	58,294,000 <u>59,565,000</u>	.....	2015

The 2014 appropriation includes \$6,681,000 for 2013 and \$47,944,000 for 2014.

The 2015 appropriation includes ~~\$5,327,000~~ \$5,270,000 for 2014 and ~~\$52,967,000~~ \$54,295,000 for 2015.

D. SPECIAL PROGRAMS

Sec. 13. Laws 2013, chapter 116, article 5, section 31, subdivision 2, as amended by Laws 2013, chapter 144, section 14, and Laws 2014, chapter 312, article 22, section 11, is amended to read:

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

	\$1,038,465,000	.....	2014
\$	1,111,641,000 <u>1,109,144,000</u>	.....	2015

The 2014 appropriation includes \$118,183,000 for 2013 and \$920,282,000 for 2014.

The 2015 appropriation includes ~~\$129,549,000~~ \$129,317,000 for 2014 and ~~\$982,092,000~~ \$979,827,000 for 2015.

Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 3, as amended by Laws 2014, chapter 312, article 22, section 12, 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:

	\$1,548,000	.....	2014
\$	1,674,000 <u>1,367,000</u>	.....	2015

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

Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 13, 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:

	\$351,000	.....	2014
\$	346,000 <u>351,000</u>	.....	2015

The 2014 appropriation includes \$45,000 for 2013 and \$306,000 for 2014.

The 2015 appropriation includes \$33,000 for 2014 and ~~\$313,000~~ \$318,000 for 2015.

E. FACILITIES AND TECHNOLOGY

Sec. 16. Laws 2013, chapter 116, article 6, section 12, subdivision 2, as amended by Laws 2014, chapter 312, article 22, section 15, is amended to read:

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

\$471,000	.....	2014
\$ 651,000 <u>649,000</u>	.....	2015

The 2014 appropriation includes \$24,000 for 2013 and \$447,000 for 2014.

The 2015 appropriation includes \$49,000 for 2014 and ~~\$602,000~~ \$600,000 for 2015.

Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 6, as amended by Laws 2014, chapter 312, article 22, section 18, is amended to read:

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

\$3,877,000	.....	2014
\$ 4,024,000 <u>4,067,000</u>	.....	2015

The 2014 appropriation includes \$475,000 for 2013 and \$3,402,000 for 2014.

The 2015 appropriation includes \$378,000 for 2014 and ~~\$3,646,000~~ \$3,689,000 for 2015.

F. NUTRITION AND LIBRARIES

Sec. 18. Laws 2013, chapter 116, article 7, section 21, subdivision 2, as amended by Laws 2014, chapter 312, article 19, section 5, 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:

\$12,417,000	.....	2014
\$ 16,185,000 <u>15,506,000</u>	.....	2015

Sec. 19. Laws 2013, chapter 116, article 7, section 21, subdivision 3, as amended by Laws 2014, chapter 312, article 19, section 6, is amended to read:

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

\$5,308,000	.....	2014
\$ 6,176,000 <u>9,168,000</u>	.....	2015

Sec. 20. Laws 2013, chapter 116, article 7, section 21, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 19, is amended to read:

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

\$992,000	.....	2014
\$ 1,002,000 <u>942,000</u>	.....	2015

G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

Sec. 21. Laws 2013, chapter 116, article 8, section 5, subdivision 3, as amended by Laws 2014, chapter 312, article 20, section 17, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

	\$22,797,000	.....	2014
\$	26,651,000 <u>26,623,000</u>	.....	2015

The 2014 appropriation includes \$3,008,000 for 2013 and \$19,789,000 for 2014.

The 2015 appropriation includes \$2,198,000 for 2014 and ~~\$24,453,000~~ \$24,425,000 for 2015.

Sec. 22. Laws 2013, chapter 116, article 8, section 5, subdivision 4, as amended by Laws 2014, chapter 312, article 22, section 23, 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:

	\$3,524,000	.....	2014
\$	3,330,000 <u>3,390,000</u>	.....	2015

The 2014 appropriation includes \$471,000 for 2013 and \$3,053,000 for 2014.

The 2015 appropriation includes \$339,000 for 2014 and ~~\$2,991,000~~ \$3,051,000 for 2015.

Sec. 23. Laws 2013, chapter 116, article 8, section 5, subdivision 14, as amended by Laws 2014, chapter 312, article 20, section 20, is amended to read:

Subd. 14. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

	\$48,776,000	.....	2014
\$	48,415,000 <u>47,750,000</u>	.....	2015

The 2014 appropriation includes \$6,278,000 for 2013 and \$42,498,000 for 2014.

The 2015 appropriation includes ~~\$4,722,000~~ \$4,712,000 for 2014 and ~~\$43,693,000~~ \$43,038,000 for 2015."

Delete the title and insert:

"A bill for an act relating to education; providing for funding and policy in early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, standards and assessments, charter schools, special education, facilities and technology, nutrition and accounting, libraries, early childhood education, prevention, self-sufficiency and lifelong learning, state agencies, and forecast adjustments; requiring rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 5A.03; 16A.103, subdivision 1c; 120A.41; 120B.02, subdivision 2; 120B.021, subdivision 4; 120B.022, subdivisions 1, 1a, 1b; 120B.024, subdivision 2; 120B.11, subdivision 1a; 120B.12, subdivision 4a; 120B.125; 120B.13, subdivision 4; 120B.30, subdivisions 1, 1a, 3; 120B.31, subdivision 4; 120B.36, subdivision 1; 121A.17, subdivision 5; 122A.09, subdivision 4, by adding subdivisions; 122A.14, subdivisions 3, 9, by adding a subdivision; 122A.18, subdivisions 2, 7c, 8; 122A.20,

subdivision 1; 122A.21, subdivisions 1, 2; 122A.23; 122A.245, subdivisions 1, 3, 7; 122A.25; 122A.30; 122A.31, subdivisions 1, 2; 122A.40, subdivisions 5, 8, 10, 11, 13; 122A.41, subdivisions 2, 5, 6, 14; 122A.414, subdivision 2; 122A.60; 122A.61, subdivision 1; 122A.69; 122A.70, subdivision 1; 123A.24, subdivision 1; 123A.75, subdivision 1; 123B.045; 123B.59, subdivisions 6, 7; 123B.77, subdivision 3; 123B.88, subdivision 1, by adding a subdivision; 124D.041, subdivisions 1, 2; 124D.09, subdivisions 5, 5a, 8, 9, 12; 124D.091, subdivision 1; 124D.10, subdivisions 1, 3, 4, 8, 9, 12, 14, 16, 23, by adding a subdivision; 124D.11, subdivisions 1, 9; 124D.121; 124D.122; 124D.126, subdivision 1; 124D.127; 124D.128, subdivision 1; 124D.13; 124D.135; 124D.16; 124D.165; 124D.531, subdivisions 1, 2, 3; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 3, 6; 124D.75, subdivisions 1, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 124D.861; 124D.862; 125A.01; 125A.023, subdivisions 3, 4; 125A.027; 125A.03; 125A.08; 125A.085; 125A.0942, subdivision 3; 125A.21; 125A.28; 125A.63, subdivisions 2, 3, 4, 5; 125A.75, subdivision 9; 125A.76, subdivisions 1, 2c; 125B.26, subdivision 2; 126C.10, subdivisions 1, 2, 2a, 2e, 3, 13a, 18, 24; 126C.13, subdivision 4; 126C.15, subdivisions 1, 2, 3; 126C.17, subdivisions 1, 2; 127A.05, subdivision 6; 127A.49, subdivision 1; 134.355, subdivisions 8, 9, 10; 135A.101, by adding a subdivision; 179A.20, by adding a subdivision; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 6, as amended, 7, as amended, 11, as amended; article 3, section 37, subdivisions 3, as amended, 4, as amended, 5, as amended, 20, as amended; article 4, section 9, subdivision 2, as amended; article 5, section 31, subdivisions 2, as amended, 3, as amended, 4, as amended; article 6, section 12, subdivisions 2, as amended, 6, as amended; article 7, sections 19; 21, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 5, subdivisions 3, as amended, 4, as amended, 14, as amended; Laws 2014, chapter 312, article 16, section 15; proposing coding for new law in Minnesota Statutes, chapters 119A; 122A; 124D; 125A; repealing Minnesota Statutes 2014, sections 120B.128; 122A.40, subdivision 11; 125A.63, subdivision 1; 126C.12, subdivision 6; 126C.13, subdivisions 3a, 3b, 3c; 126C.41, subdivision 1; Minnesota Rules, part 3500.1000."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes.

The report was adopted.

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

H. F. No. 845, A bill for an act relating to education; postsecondary; establishing a budget for higher education; appropriating money to the Office of Higher Education, the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Regents of the University of Minnesota, and the Mayo Clinic; modifying the state grant deduction; making changes to the assigned family responsibility; amending Minnesota Statutes 2014, sections 136A.101, subdivision 5a; 136A.121, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
HIGHER EDUCATION APPROPRIATIONS

Section 1. **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 "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017.

APPROPRIATIONS
Available for the Year
Ending June 30
2016 2017

Sec. 2. **MINNESOTA OFFICE OF HIGHER EDUCATION**

Subdivision 1. **Total Appropriation**

\$197,912,000

\$197,887,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **State Grants**

150,281,000

150,281,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

For the biennium, the tuition maximum is \$13,000 each year for students in four-year programs, and \$5,808 each year for students in two-year programs.

The living and miscellaneous expense allowance is \$7,900 each year.

Subd. 3. **Child Care Grants**

6,684,000

6,684,000

Subd. 4. **State Work-Study**

14,502,000

14,502,000

Subd. 5. **Interstate Tuition Reciprocity**

11,018,000

11,018,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 6. **Safety Officer's Survivors**

100,000

100,000

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.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. **Indian Scholarships**

3,100,000

3,100,000

The director must contract with or employ at least one person with demonstrated competence in American Indian culture and residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no

cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126. This appropriation includes funding to administer the American Indian scholarship program.

Subd. 8. **Tribal College Grants** 150,000 150,000

For tribal college assistance grants under Minnesota Statutes, section 136A.1796.

Subd. 9. **High School-to-College Developmental Transition Grants** 100,000 100,000

For grants under Minnesota Statutes, section 136A.862, for the high school-to-college developmental transition program grants.

Subd. 10. **Intervention for College Attendance Program Grants** 671,000 671,000

For the intervention for college attendance program under Minnesota Statutes, section 136A.861.

This appropriation includes funding to administer the intervention for college attendance program grants.

Subd. 11. **Student-Parent Information** 122,000 122,000

Subd. 12. **Get Ready** 180,000 180,000

Subd. 13. **Midwest Higher Education Compact** 95,000 95,000

Subd. 14. **Minnesota Minority Partnership** 45,000 45,000

Subd. 15. **United Family Medicine Residency Program** 351,000 351,000

For a grant to United Family Medicine residency program. This appropriation shall be used to support up to 18 resident physicians each year in family practice at United Family Medicine residency programs and shall prepare doctors to practice family care medicine in underserved rural and urban areas of the state. It is intended that this program will improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a cost-effective manner.

Subd. 16. **MnLINK Gateway and Minitex** 5,905,000 5,905,000

Subd. 17. **Statewide Longitudinal Education Data System** 882,000 882,000

Subd. 18. **Hennepin County Medical Center** 645,000 645,000

For transfer to Hennepin County Medical Center for graduate family medical education programs at Hennepin County Medical Center.

<u>Subd. 19. Teacher Shortage Loan Forgiveness</u>	<u>590,000</u>	<u>565,000</u>
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For the loan forgiveness program under Minnesota Statutes, section 136A.1791.

<u>Subd. 20. Agency Administration</u>	<u>2,491,000</u>	<u>2,491,000</u>
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Subd. 21. **Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

Subd. 22. **Transfers**

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, the get ready 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 and ranking minority members of the senate and house of representatives committees and divisions with jurisdiction over higher education finance.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

<u>Subdivision 1. Total Appropriation</u>	<u>\$658,458,000</u>	<u>\$691,143,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

<u>Subd. 2. Central Office and Shared Services Unit</u>	<u>33,074,000</u>	<u>33,074,000</u>
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For the Office of the Chancellor and the Shared Services Division.

<u>Subd. 3. Operations and Maintenance</u>	<u>621,269,000</u>	<u>653,954,000</u>
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This appropriation includes \$36,000,000 in fiscal year 2016 and \$69,000,000 in fiscal year 2017 for student tuition relief. The Board of Trustees must establish tuition rates as follows:

(1) for the 2015-2016 academic year, the tuition rate at universities must not increase by more than three percent over the 2014-2015 academic year rate, and the tuition rate at colleges must not exceed the 2014-2015 academic year rate; and

(2) for the 2016-2017 academic year, the tuition rate at universities must not exceed the 2015-2016 academic year rate, and the tuition rate at colleges must be reduced by at least one percent compared to the 2015-2016 academic year rate.

The student tuition relief may not be offset by increases in mandatory fees, charges, or other assessments to the student.

This appropriation includes \$100,000 in fiscal year 2016 to award up to two grants to system institutions with a teacher preparation program approved by the Board of Teaching to provide a school year-long student teaching pilot program, consistent with the student teaching program requirements under Minnesota Statutes, section 122A.09, subdivision 4, paragraph (d). The Board of Trustees must report to the K-12 and higher education committees of the legislature by March 1, 2017, on the experiences of the grant recipients and the student teachers with the school year-long student teaching program, and include any recommendations for amending Minnesota Statutes, section 122A.09, subdivision 4, paragraph (d), based on the experiences of the grant recipients.

This appropriation includes \$115,000 in fiscal year 2016 to implement the baccalaureate degree pathways required under article 2, section 1.

This appropriation includes \$100,000 in fiscal year 2016 to implement the sexual assault policies required under Minnesota Statutes, section 135A.15.

\$18,000 each year is for transfer to the Cook County Higher Education Board to provide educational programming and academic support services to remote regions in northeastern Minnesota. This appropriation is in addition to the \$102,000 per fiscal year this project currently receives. The project shall continue to provide information to the Board of Trustees on the number of students served, credit hours delivered, and services provided to students. The base appropriation under this paragraph is \$120,000 each year.

Subd. 4. **Learning Network of Minnesota**

4,115,000

4,115,000

Sec. 4. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

Subdivision 1. **Total Appropriation**

\$601,106,000

\$601,106,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>598,949,000</u>	<u>598,949,000</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.

Subd. 2. Operations and Maintenance 533,011,000 533,011,000

This appropriation includes funding for operation and maintenance of the system.

Subd. 3. Primary Care Education Initiatives 2,157,000 2,157,000

This appropriation is from the health care access fund.

Subd. 4. Special Appropriations

(a) Agriculture and Extension Service 42,922,000 42,922,000

For the Agricultural Experiment Station and the Minnesota Extension Service:

(1) the Agricultural Experiment Station and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state;

(2) this appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources, including agronomic crops, plant and animal wastes, and native plants or trees. The following areas should be prioritized and carried out in consultation with Minnesota producers and renewable energy and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed;

(3) this appropriation includes funding for the College of Food, Agricultural and Natural Resources Sciences to establish and provide leadership for organic agronomic, horticultural, livestock,

and food systems research, education, and outreach and for the purchase of state-of-the-art laboratory, planting, tilling, harvesting, and processing equipment necessary for this project;

(4) this appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota farm organizations:

(i) vegetable crop research with priority for extending the Minnesota vegetable growing season;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach;

(xiii) programs to meet the research and outreach needs of organic livestock and crop farmers; and

(xiv) alternative bioenergy crops and cropping systems; and growing, harvesting, and transporting biomass plant material; and

(5) by February 1, 2017, the Board of Regents must submit a report to the legislative committees and divisions with jurisdiction over agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

(b) <u>Health Sciences</u>	<u>9,204,000</u>	<u>9,204,000</u>
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\$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 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) <u>Institute of Technology</u>	<u>1,140,000</u>	<u>1,140,000</u>
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For the geological survey and the talented youth mathematics program.

(d) <u>System Special</u>	<u>5,181,000</u>	<u>5,181,000</u>
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For general research, the Labor Education Service, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

(e) <u>University of Minnesota and Mayo Foundation Partnership</u>	<u>7,491,000</u>	<u>7,491,000</u>
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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 legislative committees responsible for higher education finance by June 30 of each fiscal year.

Subd. 5. Academic Health Center

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is estimated to be \$22,250,000 each year.

Sec. 5. MAYO CLINIC

<u>Subdivision 1. Total Appropriation</u>	<u>\$1,351,000</u>	<u>\$1,351,000</u>
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The amounts that may be spent are specified in the following subdivisions.

Subd. 2. Medical School665,000665,000

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between each year 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. Family Practice and Graduate Residency Program686,000686,000

The state must pay stipend support for up to 27 residents each year.

ARTICLE 2
HIGHER EDUCATION POLICIES

Section 1. Minnesota Statutes 2014, section 122A.09, subdivision 4, is amended to read:

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

(b) The board must adopt rules requiring a person to pass a skills examination in reading, writing, and mathematics or attain either a composite score composed of the average of the scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the scores in critical reading, mathematics, and writing on the SAT recommended by the board, as a requirement for initial teacher licensure, except that the board may issue up to two temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the skills exam or attained the requisite composite score on the ACT Plus Writing or SAT. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination or attain the requisite composite score on the ACT Plus Writing or SAT, including those for whom English is a second language. The requirement to pass a reading, writing, and mathematics skills examination or attain the requisite composite score on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the time of licensure.

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

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. Among other components, teacher preparation programs may use the Minnesota State Colleges and Universities program model to provide a school year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students ongoing mentorship, coaching and assessment, help to prepare a professional development plan, and structured learning experiences. The board shall implement new systems of teacher preparation program evaluation to assure program

effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

(e) The board must adopt rules requiring candidates for initial licenses to pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

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

(g) The board must grant licenses to interns and to candidates for initial licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. All teacher candidates must have preparation in English language development and content instruction for English learners in order to be able to effectively instruct the English learners in their classrooms. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century, recognizes the importance of cultural and linguistic competencies, including the ability to teach and communicate in culturally competent and aware ways, and formalizes mentoring and induction for newly licensed teachers provided through a teacher support framework.

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

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require licensed teachers who are renewing a continuing license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

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

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

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

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

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, and de-escalation methods, among other similar topics.

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

Sec. 2. **[136A.1791] TEACHER SHORTAGE LOAN FORGIVENESS PROGRAM.**

Subdivision 1. Definitions. (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the education of a teacher.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, or a charter school located in this state.

(d) "Teacher" means an individual holding a teaching license issued under chapter 122A who is employed by a school district in a nonadministrative teaching position in a teacher shortage area.

(e) "Teacher shortage area" means academic teaching disciplines or subject matter designated by the commissioner of education as areas in which a shortage of teachers exists in the state.

Subd. 2. Program established; administration. The commissioner shall establish and administer a teacher shortage loan forgiveness program. A teacher is eligible for the program if the teacher is teaching in a teacher shortage area and complies with the requirements of subdivision 4.

Subd. 3. Annual designation of teacher shortage areas. The commissioner of education shall annually designate the teaching disciplines and subject matter areas experiencing teacher shortages. The commissioner of education shall periodically conduct a survey of school districts and approved teacher preparation programs to determine current teacher shortage areas.

Subd. 4. Application for loan forgiveness. Each applicant for loan forgiveness shall, in accordance with the rules of the commissioner, do the following:

(1) complete and file an application for teacher shortage loan forgiveness. The individual shall be responsible for the prompt submission of any information required by the commissioner;

(2) file a new application and submit information as required by the commissioner annually on the basis of which the applicant's eligibility for the renewed loan forgiveness will be evaluated and determined; and

(3) complete and return on a form approved by the commissioner an affidavit verifying that the applicant is teaching in a teacher shortage area.

Subd. 5. **Amount of loan forgiveness.** Within the limits of available funding, the annual amount of teacher shortage loan forgiveness for an approved applicant shall not exceed \$1,000 or the cumulative balance of the applicant's qualified educational loans, including principal and interest, whichever amount is less. Applicants are responsible for securing their own qualified educational loans. A teacher shall be eligible for the loan forgiveness program for not more than five consecutive years following graduation from an approved teacher preparation program.

Subd. 6. **Penalties.** An individual who submits an application or other information to the commissioner under this section which contains false or misleading information may have the individual's teaching license suspended or revoked pursuant to section 122A.20 and may be subject to discipline by the individual's employing school district.

Subd. 7. **Fund established.** A teacher shortage loan forgiveness repayment fund is created for deposit of money appropriated to or received by the commissioner for use under the program. Money deposited in the fund shall not revert to any fund of the state at the end of any fiscal year but shall remain in the loan forgiveness repayment fund and be continuously available for loan forgiveness under the program.

Subd. 8. **Annual reporting.** The commissioner shall annually by February 1 report to the chairs of the higher education committees of the legislature regarding the number of individuals who received loan forgiveness pursuant to this section, which teacher shortage areas the teachers taught in, the amount paid to each program participant, and other information identified by the commissioner as indicators of outcomes from the program.

Subd. 9. **Rulemaking.** The commissioner shall adopt rules pursuant to chapter 14 to administer this section.

Sec. 3. **[136F.302] REGULATING THE ASSIGNMENT OF STUDENTS TO REMEDIAL COURSES.**

Subdivision 1. **ACT college ready score.** A state college or university may not require an individual to take a remedial, noncredit course in a subject area if the individual has received a college ready ACT score in that subject area.

Subd. 2. **Testing process for determining if remediating is necessary.** A college or university testing process used to determine whether an individual is placed in a remedial, noncredit course must comply with this subdivision. Prior to taking a test, an individual must be given reasonable time and opportunity to review materials provided by the college or university covering the material to be tested which must include a sample test. An individual who is required to take a remedial, noncredit course as a result of a test given by a college or university must be given an opportunity to retake the test at the earliest time determined by the individual when testing is otherwise offered. The college or university must provide an individual with study materials for the purpose of retaking and passing the test.

Sec. 4. **BACCALAUREATE DEGREE PATHWAYS.**

Subdivision 1. **Regulate MnSCU baccalaureate transfers.** The Board of Trustees of the Minnesota State Colleges and Universities shall implement new transfer pathways for associate of arts degrees, associate of science degrees, and associate of fine arts degrees toward baccalaureate degree programs. The implementation must, to the greatest extent possible, be done in accordance with the implementation plan, including its timeline, developed pursuant to Laws 2014, chapter 312, article 1, section 12.

Subd. 2. **New or enhanced bachelor of applied science degrees.** The board, in consultation with system constituency groups, is encouraged to create a plan to enhance or develop new bachelor of applied science degree programs in areas of high employment need in the state to facilitate transfer pathways for students with associate of applied science degrees.

Subd. 3. **Report.** By March 15, 2016, the board must report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education on the status of implementation of transfer pathways under subdivision 1 and any deviations from the implementation plan.

Sec. 5. COLLEGE COMPLETION; MNSCU.

(a) The Board of Trustees of the Minnesota State Colleges and Universities shall develop a comprehensive plan to encourage students to complete degrees, diplomas, or certificates in their fields of study. The board must consult with students, faculty, and administrators of the state colleges and universities and the Office of Higher Education to create a plan that would increase program completion at each state college or university. Components of this plan may include, but are not limited to:

(1) replacing developmental or remedial courses, when appropriate, with corequisite courses in which students with academic deficiencies are placed into introductory credit-bearing coursework while receiving supplemental academic instruction on the same subject and during the same term;

(2) expanding intrusive advising, including the use of early alert systems or requiring the approval of an advisor or counselor to register for certain classes;

(3) developing meta-majors in broad academic disciplines as an alternative to undecided majors;

(4) making available alternative mathematics curriculum, including curriculum most relevant to the student's chosen area of study;

(5) implementing "opt-out scheduling" by automatically enrolling students in a schedule of courses chosen by the student's department but allowing students to disenroll from such courses if they wish;

(6) facilitating the transfer of credits between state colleges and universities; and

(7) strategies to encourage students to enroll full time, including the use of financial assistance to reduce a student's need to work.

(b) The development of the plan required under this section shall not discourage the development or delay the implementation or expansion of existing programs to encourage college completion.

(c) The Board of Trustees of the Minnesota State Colleges and Universities shall submit a report describing the plan developed under this section and an implementation schedule to the legislative committees with jurisdiction over higher education policy no later than January 15, 2016. This report must include identification of the financial and other resources needed by state colleges or universities to implement the plan developed under this section.

Sec. 6. COLLEGE COMPLETION; UNIVERSITY OF MINNESOTA.

(a) The Board of Regents of the University of Minnesota is requested to develop a comprehensive plan to encourage students to complete degrees, diplomas, or certificates in their fields of study. The board is requested to consult with students, faculty, and administrators of the University of Minnesota and the Office of Higher Education to create a plan that would increase program completion among University of Minnesota students. Components of this plan may include, but are not limited to:

(1) offering interdisciplinary courses that encourage students to think across disciplinary boundaries and take advantage of the universitywide intellectual expertise;

(2) expanding undergraduate academic advising, including intrusive advising, and the use of online advising tools;

(3) assisting undecided students with personalized services to help them develop a plan for major and career selection;

(4) requiring all students to fill out, and regularly update, their four-year degree plans;

(5) facilitating student transfers to the University of Minnesota through support of the Minnesota Transfer Curriculum and other transfer tools;

(6) developing strategies to encourage students to enroll full time and graduate in four years; and

(7) enhancing financial literacy programs that focus on low-income students.

(b) The development of the plan required under this section shall not discourage the development or delay the implementation or expansion of existing programs to encourage college completion.

(c) The Board of Regents of the University of Minnesota shall submit a report describing the plan developed under this section and an implementation schedule to the legislative committees with jurisdiction over higher education policy no later than January 15, 2016. This report must include identification of the financial and other resources needed to implement the plan developed under this section.

ARTICLE 3 CAMPUS SEXUAL ASSAULT

Section 1. Minnesota Statutes 2014, section 13.322, is amended by adding a subdivision to read:

Subd. 6. **Campus sexual assault data.** Data relating to allegations of sexual assault at a postsecondary institution are classified under section 135A.15.

Sec. 2. Minnesota Statutes 2014, section 135A.15, subdivision 1, is amended to read:

Subdivision 1. **Policy required.** The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on sexual harassment and sexual violence that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the Crime Victims Reparations Board and the commissioner of public safety. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents against a student or employee of a postsecondary institution occurring on property owned or leased by the postsecondary system or institution ~~in which the victim is a student or employee of that system or institution~~ or at any activity, program, organization, or event sponsored by the system or institution, including fraternities and sororities. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each technical college, community college, or state university shall, and the University of Minnesota is requested to, provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. ~~Each private postsecondary institution that is an eligible institution as defined in section 136A.155, must adopt a policy that meets the requirements of this section.~~

Sec. 3. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 1a. **Applicability to private institutions.** Each private postsecondary institution that is an eligible institution as defined in section 136A.103 must comply with all of the requirements imposed in this section.

Sec. 4. Minnesota Statutes 2014, section 135A.15, subdivision 2, is amended to read:

Subd. 2. **Victims' rights.** (a) The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

- (1) filing criminal charges with local law enforcement officials in sexual assault cases;
- (2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a sexual assault incident;
- (3) allowing sexual assault victims to decide whether to refer a case to law enforcement;
- (4) requiring campus authorities to treat sexual assault victims with dignity;
- (5) requiring campus authorities to offer sexual assault victims fair and respectful health care, counseling services, or referrals to such services;
- (6) preventing campus authorities from suggesting a victim of sexual assault is at fault for the crimes or violations that occurred;
- (7) preventing campus authorities from suggesting that a victim of sexual assault should have acted in a different manner to avoid such a crime;
- (8) protecting the privacy of sexual assault victims by, unless otherwise required by law, only disclosing data collected under this section to the victim, persons whose work assignments reasonably require access, and, at a sexual assault victim's request, police conducting a criminal investigation;
- ~~(9)~~ (9) an investigation and resolution of a sexual assault complaint by campus disciplinary authorities;
- ~~(10)~~ (10) a sexual assault victim's participation in and the presence of the victim's attorney or other support person at any meeting with campus officials concerning a sexual assault complaint or campus disciplinary proceeding concerning a sexual assault complaint;
- (11) ensuring that a sexual assault victim is not required to repeat unnecessarily a description of the incident of sexual assault;
- (12) notice to a sexual assault victim of the availability of a campus or local program providing sexual assault advocacy services;
- ~~(13)~~ (13) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;
- ~~(14)~~ (14) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual assault incident;

~~(7)~~ (15) the assistance of campus authorities in preserving for a sexual assault complainant or victim materials relevant to a campus disciplinary proceeding; and

~~(8)~~ (16) during and after the process of investigating a complaint and conducting a campus disciplinary procedure, the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible;

(17) forbidding retaliation, and establishing a process for investigating complaints of retaliation, against sexual assault victims by campus authorities, the accused, organizations affiliated with the accused, other students, and other employees;

(18) allowing sexual assault victims to practice their religion and exercise their civil rights without interference by the investigative, criminal justice, or student conduct process of the institution;

(19) at the request of the victim, providing students who reported sexual assaults to the institution and subsequently choose to transfer to another postsecondary institution with information about resources for victims of sexual assault at the institution to which the victim is transferring; and

(20) consistent with laws governing access to student records, providing a student who reported an incident of sexual assault with access to the student's description of the incident as it was reported to the institution, including if that student transfers to another postsecondary institution.

(b) For the purposes of this section, "sexual assault" means forcible sex offenses as defined in Code of Federal Regulations, title 34, part 668, subpart D, appendix A, as amended.

Sec. 5. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 3. **Uniform amnesty.** The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, include in the system's sexual harassment and violence policy a provision that no student who reports, in good faith, an act of sexual harassment or sexual violence shall be sanctioned by the institution for admitting to a violation of the institution's student conduct policy on the use of drugs or alcohol as part of the report.

Sec. 6. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 4. **Coordination with local law enforcement.** (a) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, direct each campus in the system to enter into a memorandum of understanding with the primary local law enforcement agencies that serve the campus. The memorandum must be entered into no later than January 1, 2017, and updated every two years thereafter. This memorandum shall clearly delineate responsibilities and require information sharing, in accordance with applicable state and federal privacy laws, about certain crimes including, but not limited to, sexual assault. This memorandum of understanding shall provide:

(1) delineation and sharing protocols of investigative responsibilities;

(2) protocols for investigations, including standards for notification and communication and measures to promote evidence preservation; and

(3) a method of sharing information about specific crimes, when directed by the victim, and a method of sharing crime details anonymously in order to better protect overall campus safety.

(b) Prior to the start of each academic year, the Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, distribute an electronic copy of the memorandum of understanding to all employees on the campus that are subject to the memorandum.

(c) A campus is exempt from the requirement that it develop a memorandum of understanding under this section if the campus and local or county law enforcement agencies establish a sexual assault protocol team to facilitate effective cooperation and collaboration between the institution and law enforcement.

Sec. 7. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 5. Online reporting system. (a) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, provide an online reporting system to receive complaints of sexual harassment and sexual violence from students and employees. The system must permit anonymous reports, provided that the institution is not obligated to investigate an anonymous report, unless a formal report is submitted through the process established in the institution's sexual harassment and sexual violence policy or an investigation is otherwise required by law.

(b) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, provide students making reports under this section with information about who will receive and have access to the reports filed, how the information gathered through the system will be used, and contact information for on-campus and off-campus organizations serving victims of sexual violence.

(c) Data collected under this subdivision is classified as private data on individuals as defined by section 13.02, subdivision 12.

Sec. 8. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 6. Data collection and reporting. (a) The Board of Trustees of the Minnesota State Colleges and Universities and the University of Minnesota shall annually report statistics on sexual assault. This report must be prepared in addition to any federally required reporting on campus security, including reports required by the Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, United States Code, title 20, section 1092(f). The report must include, but not be limited to, the number of incidents of sexual assault reported to the institution in the previous calendar year, as follows:

(1) the number that were investigated by the institution;

(2) the number that were referred for a disciplinary proceeding at the institution;

(3) the number the victim chose to report to local or state law enforcement;

(4) the number for which a campus disciplinary proceeding is pending, but has not reached a final resolution;

(5) the number in which the alleged perpetrator was found responsible by the disciplinary proceeding at the institution;

(6) the number that resulted in any action by the institution greater than a warning issued to the accused;

(7) the number that resulted in a disciplinary proceeding at the institution that closed without resolution;

(8) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the accused withdrew from the institution;

(9) the number that resulted in a disciplinary proceeding at the institution that closed without resolution because the victim chose not to participate in the procedure; and

(10) the number of reports made through the online reporting system established in subdivision 5, excluding reports submitted anonymously.

(b) If an institution previously submitted a report indicating that one or more disciplinary proceedings was pending, but had not reached a final resolution, and one or more of those disciplinary proceedings reached a final resolution within the previous fiscal year, that institution must submit an updated report for the previous year that reflects the outcome of the pending case or cases.

(c) The reports required by this subdivision must be submitted to the Office of Higher Education by October 1 of each year. Each report must contain the data required under paragraphs (a) and (b) from the previous fiscal year. An institution's report under this subdivision is classified as private data on individuals as defined by section 13.02, subdivision 12.

(d) The commissioner of the Office of Higher Education shall calculate statewide numbers for each data item reported by an institution under this subdivision. The statewide numbers should include data from postsecondary institutions that the commissioner could not publish due to federal laws governing access to student records.

(e) The Office of Higher Education shall publish on its Web site:

(1) the statewide data calculated under paragraph (d); and

(2) consistent with federal laws governing access to student records and in consultation with the applicable institution, the data items required under paragraphs (a) and (b) for each postsecondary institution in the state.

This data shall be published as summary data as defined by section 13.02, subdivision 19, and shall not identify alleged victims or perpetrators of crimes. Consistent with federal laws governing access to student records, each state college or university shall, and the University of Minnesota is requested to, publish on the institution's Web site the data items required under paragraphs (a) and (b) for that institution.

(f) If an institution or the Office of Higher Education is unable to publish data under this subdivision due to state or federal laws governing access to student records, it must explain in its report why the institution did not publish such data.

Sec. 9. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 7. Access to data; audit trail. (a) Data on incidents of sexual assault shared with campus security officers or campus administrators responsible for investigating or adjudicating complaints of sexual assault are classified as private data on individuals as defined by section 13.02, subdivision 12, for the purposes of postsecondary institutions subject to the requirements of chapter 13. Postsecondary institutions not otherwise subject to chapter 13 must limit access to the data to only the data subject and persons whose work assignments reasonably require access.

(b) Only individuals with explicit authorization from an institution may enter, update, or access electronic data collected, created, or maintained under this section. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of

the individual and the institutional authorization that grants access for that purpose. All actions in which data are entered, updated, accessed, shared, or disseminated outside of the institution must be recorded in a data audit trail. An institution shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this subdivision or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization, the matter shall be forwarded to a county attorney for prosecution.

Sec. 10. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 8. Comprehensive training. (a) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, provide campus security officers and campus administrators responsible for investigating or adjudicating complaints of sexual assault with comprehensive training on preventing and responding to sexual assault in collaboration with the Bureau of Criminal Apprehension or another law enforcement agency with expertise in criminal sexual conduct. The training for campus security officers shall include a presentation on the dynamics of sexual assault, neurobiological responses to trauma, and best practices for preventing, responding to, and investigating sexual assault. The training for campus administrators responsible for investigating or adjudicating complaints on sexual assault shall include presentations on preventing sexual assault, responding to incidents of sexual assault, the dynamics of sexual assault, neurobiological responses to trauma, and compliance with state and federal laws on sexual assault.

(b) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, require that the following categories of students complete a training on sexual assault:

- (1) students pursuing a degree or certificate;
- (2) students who are taking courses through the Postsecondary Enrollment Options Act; and
- (3) any other categories of students determined by the institution.

Students must complete such training no later than ten business days after the start of a student's first semester of classes. Once a student completes such training, institutions must document the student's completion of the training and provide proof of training completion to a student at the student's request. Students enrolled at more than one institution within the same system at the same time are only required to complete the training once. This training shall include information about topics including, but not limited to, sexual assault as defined in subdivision 2; consent as defined in section 609.341, subdivision 4; preventing and reducing the prevalence of sexual assault; procedures for reporting campus sexual assault; and campus resources on sexual assault, including organizations that support victims of sexual assault.

(c) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, annually train individuals responsible for responding to reports of sexual assault. This training shall include information about best practices for interacting with victims of sexual assault, including how to reduce the emotional distress resulting from the reporting, investigatory, and disciplinary process.

Sec. 11. Minnesota Statutes 2014, section 135A.15, is amended by adding a subdivision to read:

Subd. 9. Student health services. (a) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, develop and implement a policy that requires student health service providers to screen students for incidents of sexual assault. Student health service providers shall offer students information on resources available to victims and survivors of sexual assault including counseling, mental health services, and procedures for reporting incidents of sexual assault to the institution.

(b) The Board of Trustees of the Minnesota State Colleges and Universities shall, and the University of Minnesota is requested to, require that each institution offering student health or counseling services designate an existing staff member or existing staff members as confidential resources for victims of sexual assault. The confidential resource must be available to meet with victims of sexual assault on a walk-in basis. The confidential resource must provide victims of sexual assault with information about locally available resources for victims of sexual assault including, but not limited to, mental health services and legal assistance. The confidential resource must provide victims of sexual assault with information about the process for reporting an incident of sexual assault to campus authorities or local law enforcement. The victim of sexual assault shall decide whether to report an incident of sexual assault to campus authorities or local law enforcement. Confidential resources must be trained in all aspects of responding to incidents of sexual assault including, but not limited to, best practices for interacting with victims of trauma, preserving evidence, campus disciplinary and local legal processes, and locally available resources for victims of sexual assault. Data shared with a confidential resource is classified as sexual assault communication data as defined by section 13.822, subdivision 1.

EFFECTIVE DATE. The policy required under this subdivision must be in place by January 1, 2017.

Sec. 12. **[626.891] COOPERATION WITH POSTSECONDARY INSTITUTIONS.**

Local law enforcement agencies, including law enforcement agencies operated by statutory cities, home rule charter cities, and counties must enter into and honor the memoranda of understanding required under section 135A.15.

Sec. 13. **EFFECTIVE DATE.**

This article is effective August 1, 2016."

Delete the title and insert:

"A bill for an act relating to higher education; establishing a budget for higher education; appropriating money to the Office of Higher Education, the Board of Trustees of the Minnesota State Colleges and Universities, the Board of Regents of the University of Minnesota, and the Mayo Clinic; appropriating money for tuition relief; establishing a year-long student teacher program; establishing a teacher shortage loan forgiveness program; regulating the assignment of state college and university students to remedial courses; regulating state college and university transfer pathways; requiring a plan to encourage college completion at the Minnesota State Colleges and Universities and the University of Minnesota; regulating the policies of postsecondary institutions relating to sexual harassment and sexual violence; amending Minnesota Statutes 2014, sections 13.322, by adding a subdivision; 122A.09, subdivision 4; 135A.15, subdivisions 1, 2, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 136A; 136F; 626."

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

The report was adopted.

McNamara from the Committee on Environment and Natural Resources Policy and Finance to which was referred:

H. F. No. 846, A bill for an act relating to state government; appropriating money for agriculture, environment, and natural resources; providing retail food establishment and food handler license fees; making policy and technical changes to various agricultural related provisions, including provisions related to pesticide control, plant protection, nursery law, seeds, food handlers, food, farmland, farming, and loans; establishing the farm opportunity loan

program; modifying agency rulemaking; modifying fees and surcharges; creating accounts; regulating priority chemicals in children's products; modifying prior appropriations; amending Minnesota Statutes 2014, sections 13.643, subdivision 1; 13.7411, subdivision 8; 14.365; 18B.01, subdivisions 28, 29; 18B.32, subdivision 1; 18B.33, subdivision 1; 18B.34, subdivision 1; 18C.425, subdivision 6; 18G.10, subdivisions 3, 4, 5; 18H.02, subdivision 20, by adding subdivisions; 18H.06, subdivision 2; 18H.07; 21.81, by adding subdivisions; 21.82, subdivisions 2, 4; 21.85, subdivision 2, by adding a subdivision; 21.89, subdivision 2; 21.891, subdivisions 2, 5; 25.39, subdivision 1; 28A.03, by adding subdivisions; 28A.08, subdivision 1, by adding subdivisions; 28A.082, subdivision 1; 31.39, subdivision 1; 32.394, subdivisions 8, 8b; 41B.03, subdivision 6, by adding a subdivision; 41B.04, subdivision 17; 41B.043, subdivision 3; 41B.045, subdivisions 3, 4; 41B.046, subdivision 5; 41B.047, subdivisions 1, 4; 41B.048, subdivision 6; 41B.049, subdivision 4; 41B.055, subdivision 3; 41B.056, subdivision 2; 41B.06; 85.055, subdivision 1; 86B.415, subdivision 7; 116.07, subdivision 4d; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; 500.24, subdivision 4; Laws 2013, chapter 137, article 2, section 6; proposing coding for new law in Minnesota Statutes, chapters 15; 41B; 84; 103B; 116; repealing Minnesota Statutes 2014, sections 17.115; 28A.08, subdivision 3; 41A.12, subdivision 4; 84.68.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **ENVIRONMENT AND NATURAL RESOURCES 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 "2016" and "2017" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2016, or June 30, 2017, respectively. "The first year" is fiscal year 2016. "The second year" is fiscal year 2017. "The biennium" is fiscal years 2016 and 2017. Appropriations for the fiscal year ending June 30, 2015, are effective the day following final enactment.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2016</u>	<u>2017</u>
Sec. 2. <u>POLLUTION CONTROL AGENCY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$92,668,000</u>	<u>\$91,883,000</u>
<u>Appropriations by Fund</u>		
	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>8,265,000</u>	<u>7,827,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>73,232,000</u>	<u>72,885,000</u>
<u>Remediation</u>	<u>11,096,000</u>	<u>11,096,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

The commissioner must present the agency's biennial budget for fiscal years 2018 and 2019 to the legislature in a transparent way by agency division, including the proposed budget bill and presentations of the budget to committees and divisions with jurisdiction over the agency's budget.

Subd. 2. Water

28,471,000

28,033,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>6,754,000</u>	<u>6,316,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>75,000</u>	<u>75,000</u>
<u>Environmental</u>	<u>21,642,000</u>	<u>21,642,000</u>

\$1,959,000 the first year and \$1,959,000 the second year are for grants to delegated counties to administer the county feedlot program under Minnesota Statutes, section 116.0711, subdivisions 2 and 3. Money remaining after the first year is available for the second year.

\$740,000 the first year and \$740,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165.

\$664,000 the first year and \$664,000 the second year are from the environmental fund for subsurface sewage treatment system (SSTS) program administration and community technical assistance and education, including grants and technical assistance to communities for water quality protection. Of this amount, \$129,000 each year is for assistance to counties through grants for SSTS program administration. A county receiving a grant from this appropriation shall submit the results achieved with the grant to the commissioner as part of its annual SSTS report. Any unexpended balance in the first year does not cancel but is available the second year.

\$105,000 the first year and \$105,000 the second year are from the environmental fund for registration of wastewater laboratories.

\$913,000 the first year and \$913,000 the second year are from the environmental fund to continue perfluorochemical biomonitoring in eastern metropolitan communities, as recommended by the Environmental Health Tracking and Biomonitoring Advisory Panel, and address other environmental health risks, including air quality. The communities must include Hmong and other

immigrant farming communities. Of this amount, \$812,000 the first year and \$812,000 the second year are for transfer to the Department of Health. The base in fiscal year 2018 and thereafter is \$0.

\$660,000 the first year and \$220,000 the second year are for water quality standard cost analyses required under this act. The base for this appropriation is \$142,000 in fiscal year 2018 and \$0 in fiscal year 2019.

\$2,657,000 the first year and \$2,659,000 the second year are for independent peer reviews under Minnesota Statutes, section 115.035.

\$100,000 the first year and \$100,000 the second year are for grants to the Red River Watershed Management Board for water quality and watershed monitoring river watch activities in the schools along the Red River of the North.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as grants or contracts for subsurface sewage treatment systems, surface water and groundwater assessments, total maximum daily loads, storm water, and water quality protection in this subdivision are available until June 30, 2020.

Subd. 3. Air

15,401,000

15,604,000

\$200,000 the first year and \$200,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

\$335,000 the first year and \$335,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants.

\$690,000 the first year and \$690,000 the second year are from the environmental fund for emission reduction activities and grants to small businesses and other nonpoint emission reduction efforts. Any unexpended balance in the first year does not cancel but is available in the second year.

Subd. 4. Land

18,012,000

18,012,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>6,916,000</u>	<u>6,916,000</u>
<u>Remediation</u>	<u>11,096,000</u>	<u>11,096,000</u>

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of management and budget that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2017.

\$4,216,000 the first year and \$4,216,000 the second year are from the remediation fund for purposes of the leaking underground storage tank program to investigate, clean up, and prevent future releases from underground petroleum storage tanks, and to the petroleum remediation program for purposes of vapor assessment and remediation. These same annual amounts are transferred from the petroleum tank fund to the remediation fund.

\$252,000 the first year and \$252,000 the second year are from the remediation fund for transfer to the commissioner of health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

Subd. 5. Environmental Assistance and Cross-Media

30,784,000

30,234,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Environmental</u>	<u>29,273,000</u>	<u>28,723,000</u>
<u>General</u>	<u>1,511,000</u>	<u>1,511,000</u>

\$17,250,000 the first year and \$17,250,000 the second year are from the environmental fund for SCORE block grants to counties.

\$119,000 the first year and \$119,000 the second year are from the environmental fund for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716. Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.

\$89,000 the first year and \$89,000 the second year are from the environmental fund for duties related to harmful chemicals in products under Minnesota Statutes, sections 116.9401 to 116.9407. Of this amount, \$57,000 each year is transferred to the commissioner of health.

\$200,000 the first year and \$200,000 the second year are from the environmental fund for the costs of implementing general operating permits for feedlots over 1,000 animal units.

\$312,000 the first year and \$312,000 the second year are from the general fund and \$188,000 the first year and \$188,000 the second year are from the environmental fund for Environmental Quality Board operations and support.

\$50,000 the first year and \$50,000 the second year are from the environmental fund for transfer to the Office of Administrative Hearings to establish sanitary districts.

\$250,000 the first year and \$250,000 the second year are from the general fund for the Environmental Quality Board to lead an interagency team to provide technical assistance regarding the mining, processing, and transporting of silica sand. Of this amount, \$75,000 each year is transferred to the commissioner of natural resources to review the implementation of the rules adopted by the commissioner pursuant to Laws 2013, chapter 114, article 4, section 105, paragraph (b), pertaining to the reclamation of silica sand mines, to ensure that local government reclamation programs are implemented in a manner consistent with the rules.

\$450,000 the first year and \$450,000 the second year are from the environmental fund to develop and maintain systems to support permitting and regulatory business processes and agency data. This is a onetime appropriation.

\$50,000 the first year and \$50,000 the second year are from the environmental fund for increased meeting costs of the Minnesota Pollution Control Agency Citizens' Board under this act.

\$50,000 the first year is to study, in cooperation with the commissioner of health, the impacts related to the use of crumb rubber within synthetic turf and review available data relating to the potential environmental and health risks and effects of synthetic turf, with particular attention to the crumb rubber content of the synthetic turf. In conducting this study, the commissioner must examine the health and environmental impact of various pathways of exposure including but not limited to small-fill particle inhalation, volatility, leaching into groundwater, dermal absorption, and the persistence in the environment of the original and degraded by-products of crumb rubber. By June 30, 2016, the commissioner shall report the findings of the study to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over health and environment policy. This is a onetime appropriation.

\$685,000 the first year and \$685,000 the second year are for competitive recycling grants under Minnesota Statutes, section 115A.565.

\$50,000 the first year and \$50,000 the second year are to acquire and co-locate waste and recycling receptacles, in cooperation with the commissioner of administration, at the State Office Building. Any remaining funds may be used for these purposes at other facilities within the Capitol complex. This is a onetime appropriation.

\$500,000 the first year is for a contract with an outside consultant to examine the organizational structure, financial management, and grant processes of the agency and provide recommendations to increase the efficiency, outcomes, and transparency of the agency. The commissioner shall report the results of the examination and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment by December 15, 2016. This is a onetime appropriation.

The commissioner must direct any operational adjustments necessary to accommodate inflationary and other operational increases of the agency to solid waste activities within the agency and may redirect the reductions to other subdivisions of this section as necessary to reduce nonessential activities of the agency. The commissioner shall not allow any reductions under this paragraph to impact permitting, environmental review, or enforcement activities of the agency, and no grants may be reduced.

All money deposited in the environmental fund for the metropolitan solid waste landfill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2017, as contracts or grants for surface water and groundwater assessments; environmental assistance awarded under Minnesota Statutes, section 115A.0716; technical and research assistance under Minnesota Statutes, section 115A.152; technical assistance under Minnesota Statutes, section 115A.52; and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2019.

Subd. 6. Transfers

The commissioner of management and budget shall transfer \$13,276,000 in fiscal year 2016 from the closed landfill investment fund in Minnesota Statutes, section 115B.421, to the environment and natural resources account in the special revenue fund.

The commissioner of the Pollution Control Agency shall transfer \$8,100,000 in fiscal year 2016 from the metropolitan landfill contingency action trust account in Minnesota Statutes, section 473.845, to the commissioner of management and budget for cancellation to the environment and natural resources account in the special revenue fund.

Subd. 7. Remediation Fund

The commissioner may transfer money from the environmental fund to the remediation fund as necessary for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total Appropriation

\$263,188,000

\$266,382,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>67,445,000</u>	<u>69,065,000</u>
<u>Natural Resources</u>	<u>84,063,000</u>	<u>85,001,000</u>
<u>Game and Fish</u>	<u>100,480,000</u>	<u>101,940,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
<u>Special Revenue</u>	<u>11,100,000</u>	<u>10,276,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. Land and Mineral Resources Management

5,261,000

5,321,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>1,585,000</u>	<u>1,585,000</u>
<u>Natural Resources</u>	<u>3,332,000</u>	<u>3,392,000</u>
<u>Game and Fish</u>	<u>344,000</u>	<u>344,000</u>

\$68,000 the first year and \$68,000 the second year are for minerals cooperative environmental research, of which \$34,000 the first year and \$34,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind.

\$251,000 the first year and \$251,000 the second year are for iron ore cooperative research. Of this amount, \$200,000 each year is from the minerals management account in the natural resources fund. \$175,000 the first year and \$175,000 the second year are

available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind. Any unencumbered balance from the first year does not cancel and is available in the second year.

\$2,755,000 the first year and \$2,815,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c), for mineral resource management, projects to enhance future mineral income, and projects to promote new mineral resource opportunities.

Subd. 3. Ecological and Water Resources

31,493,000

31,771,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	16,980,000	17,089,000
Natural Resources	10,502,000	10,576,000
Game and Fish	4,011,000	4,106,000

\$3,242,000 the first year and \$3,242,000 the second year are from the invasive species account in the natural resources fund and \$3,206,000 the first year and \$3,206,000 the second year are from the general fund for management, public awareness, assessment and monitoring research, and water access inspection to prevent the spread of invasive species; management of invasive plants in public waters; and management of terrestrial invasive species on state-administered lands.

\$5,000,000 the first year and \$5,000,000 the second year are from the water management account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 103G.27, subdivision 2.

\$103,000 the first year and \$103,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under the board's jurisdiction.

\$10,000 the first year and \$10,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement the band's portion of the comprehensive plan for the upper Mississippi.

\$264,000 the first year and \$264,000 the second year are for grants for up to 50 percent of the cost of implementation of the Red River mediation agreement.

\$1,643,000 the first year and \$1,643,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$950,000 the first year and \$950,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Notwithstanding Minnesota Statutes, section 290.431, of this amount, \$50,000 the first year and \$50,000 the second year may be used for nongame wildlife information, education, and promotion.

\$6,000,000 the first year and \$6,000,000 the second year are from the general fund for the following activities:

(1) financial reimbursement and technical support to soil and water conservation districts or other local units of government for groundwater level monitoring;

(2) surface water monitoring and analysis, including installation of monitoring gauges;

(3) groundwater analysis to assist with water appropriation permitting decisions;

(4) permit application review incorporating surface water and groundwater technical analysis;

(5) precipitation data and analysis to improve the use of irrigation;

(6) information technology, including electronic permitting and integrated data systems; and

(7) compliance and monitoring.

\$10,000 the first year and \$64,000 the second year are to study, in cooperation with the Board of Water and Soil Resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

\$50,000 the first year is to develop cost estimates, in cooperation with the Metropolitan Council, for the augmentation of White Bear Lake with water from Sucker Lake. The commissioner must submit a report with the cost estimates developed under this paragraph to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance by February 1, 2016. This is a onetime appropriation.

Subd. 4. Forest Management

37,514,000

38,181,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>24,846,000</u>	<u>25,250,000</u>
<u>Natural Resources</u>	<u>11,381,000</u>	<u>11,644,000</u>
<u>Game and Fish</u>	<u>1,287,000</u>	<u>1,287,000</u>

\$7,145,000 the first year and \$7,145,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. The amount necessary to pay for presuppression and suppression costs during the biennium is appropriated from the general fund.

By January 15 of each year, the commissioner of natural resources shall submit a report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

\$11,381,000 the first year and \$11,644,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

\$1,287,000 the first year and \$1,287,000 the second year are from the heritage enhancement account in the game and fish fund to advance ecological classification systems (ECS) scientific management tools for forest and invasive species management. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

\$680,000 the first year and \$680,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

\$250,000 the first year and \$250,000 the second year are for the FORIST system.

Subd. 5. Parks and Trails Management

70,548,000

71,000,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>19,977,000</u>	<u>21,001,000</u>
Natural Resources	<u>46,205,000</u>	<u>46,450,000</u>
Game and Fish	<u>2,266,000</u>	<u>2,273,000</u>
Special Revenue	<u>2,100,000</u>	<u>1,276,000</u>

\$1,075,000 the first year and \$1,075,000 the second year are from the water recreation account in the natural resources fund for enhancing public water access facilities.

\$5,740,000 the first year and \$5,740,000 the second year are from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$1,005,000 the first year and \$1,005,000 the second year are from the natural resources fund for park and trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grants. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4). Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$8,424,000 the first year and \$8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for the snowmobile grants-in-aid program. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$1,360,000 the first year and \$1,360,000 the second year are from the natural resources fund for the off-highway vehicle grants-in-aid program. Of this amount, \$1,210,000 each year is from the all-terrain vehicle account; and \$150,000 each year is from the off-highway motorcycle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$75,000 the first year and \$75,000 the second year are from the cross-country ski account in the natural resources fund for grooming and maintaining cross-country ski trails in state parks, trails, and recreation areas.

\$250,000 the first year and \$250,000 the second year are from the state land and water conservation account (LAWCON) in the natural resources fund for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 84.0264, and the federal Land and Water Conservation Fund Act. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$968,000 the first year and \$968,000 the second year are from the off-road vehicle account in the natural resources fund. Of this amount, \$568,000 each year is for parks and trails management for off-road vehicle purposes; \$325,000 is for the off-road vehicle grant in aid program; and \$75,000 is for a new full-time employee position or contract in northern Minnesota to work in conjunction with the Minnesota Four-Wheel Drive Association to address off-road vehicle touring routes and other issues related to off-road vehicle activities.

\$2,100,000 the first year and \$1,276,000 the second year are from the environment and natural resources account in the special revenue fund. This is a onetime appropriation.

The base for parks and trails operations in the general fund in fiscal year 2018 and thereafter is \$22,277,000.

Subd. 6. Fish and Wildlife Management

71,677,000

72,213,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>Natural Resources</u>	<u>1,908,000</u>	<u>1,912,000</u>
<u>Game and Fish</u>	<u>69,769,000</u>	<u>70,301,000</u>

\$8,167,000 the first year and \$8,167,000 the second year are from the heritage enhancement account in the game and fish fund only for activities specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, five percent of this appropriation may be used for expanding hunter and angler recruitment and retention.

\$1,000,000 the first year and \$1,000,000 the second year are from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10, including grants for archery facilities. Grants must be matched with a nonstate match, which may include in-kind contributions. This is a onetime appropriation and is available until June 30, 2019.

The game and fish fund base for fish and wildlife management in fiscal year 2018 and thereafter is \$66,119,000.

Subd. 7. Enforcement

46,375,000

47,576,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>4,057,000</u>	<u>4,140,000</u>
<u>Natural Resources</u>	<u>10,415,000</u>	<u>10,707,000</u>
<u>Game and Fish</u>	<u>22,803,000</u>	<u>23,629,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
<u>Special Revenue</u>	<u>9,000,000</u>	<u>9,000,000</u>

\$1,718,000 the first year and \$1,718,000 the second year are from the general fund for enforcement efforts to prevent the spread of aquatic invasive species.

\$1,537,000 the first year and \$1,580,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). The base for these purposes in fiscal year 2018 and thereafter is \$1,607,000.

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under Minnesota Statutes, section 84.9011. Grants issued under this paragraph must be issued through a formal agreement with the organization. By December 15 each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures and outcomes from the grant. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$510,000 the first year and \$510,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$498,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$9,000,000 the first year is from the environment and natural resources account in the special revenue fund and is transferred to the commissioner of revenue for allocation to counties for aquatic invasive prevention activities under Minnesota Statutes 2014, section 477A.19, subdivisions 1 to 4. This is a onetime appropriation.

\$9,000,000 the second year is from the environment and natural resources account in the special revenue fund for county aquatic invasive species prevention grants under Minnesota Statutes, section 84D.16. The appropriation from the environment and natural resources account in the special revenue fund is a onetime appropriation. The general fund base for this program in fiscal year 2018 and thereafter is \$9,000,000.

The commissioner may conduct a conservation officer academy in fiscal years 2016 and 2017 with available funds.

The natural resources fund base for enforcement in fiscal year 2018 and thereafter is \$10,834,000. The game and fish fund base for enforcement in fiscal year 2018 and thereafter is \$23,988,000.

Subd. 8. Operations Support

320,000

320,000

\$320,000 the first year and \$320,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Park Zoo and Conservatory and the city of Duluth for the Duluth Zoo. This appropriation is from the revenue deposited to the fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

Subd. 9. Cancellation

The general fund appropriation of \$1,000,000 in Laws 2014, chapter 312, article 12, section 6, subdivision 2, is canceled on June 30, 2015.

Sec. 4. BOARD OF WATER AND SOIL RESOURCES

\$15,237,000

\$15,415,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>14,237,000</u>	<u>14,415,000</u>
<u>Remediation</u>	<u>1,000,000</u>	<u>1,000,000</u>

\$3,423,000 the first year and \$3,423,000 the second year are for natural resources block grants to local governments. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount as specified by Minnesota Statutes, section 103B.3369. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate.

\$4,116,000 the first year and \$4,116,000 the second year are for grants to soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota reserve program. Expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district receiving a grant under this paragraph shall maintain a Web page that publishes, at a minimum, its annual report, annual audit, annual budget, and meeting notices.

\$1,560,000 the first year and \$1,560,000 the second year are for the following cost-share programs:

(1) \$260,000 each year is for feedlot water quality grants for feedlots under 300 animal units and nutrient and manure management projects in watersheds where there are impaired waters;

(2) \$1,200,000 each year is for soil and water conservation district cost-sharing contracts for perennially vegetated riparian buffers, erosion control, water retention and treatment, and other high-priority conservation practices; and

(3) \$100,000 each year is for county cooperative weed management programs and to restore native plants in selected invasive species management sites.

\$800,000 the first year and \$750,000 the second year are for implementation, enforcement, and oversight of the Wetland Conservation Act, including administration of the wetland banking program and in-lieu fee mechanism.

\$166,000 the first year and \$166,000 the second year are to provide technical assistance to local drainage management officials and for the costs of the Drainage Work Group.

\$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission for water quality and floodplain management, including administration of programs. This appropriation must be matched by nonstate funds. If the appropriation in either year is insufficient, the appropriation in the other year is available for it.

\$140,000 the first year and \$140,000 the second year are for grants to Area II Minnesota River Basin Projects for floodplain management.

\$8,000 the first year and \$262,000 the second year are to study, in cooperation with the commissioner of natural resources, the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act as required in this act. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 115B.20, \$1,000,000 the first year and \$1,000,000 the second year are transferred to the Board of Water and Soil Resources from the dedicated account within the remediation fund for the purposes of Minnesota Statutes, section 115B.20, subdivision 2, clause (4), for grants to soil and water conservation districts to establish best management practices to improve water quality. This is a onetime transfer.

Notwithstanding Minnesota Statutes, section 103C.501, the board may shift cost-share funds in this section and may adjust the technical and administrative assistance portion of the grant funds to leverage federal or other nonstate funds or to address high-priority needs identified in local water management plans or comprehensive water management plans.

The appropriations for grants in this section are available until expended. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

Sec. 5. **METROPOLITAN COUNCIL**

\$8,006,000

\$8,006,000

Appropriations by Fund

	<u>2016</u>	<u>2017</u>
General	<u>2,336,000</u>	<u>2,336,000</u>
Natural Resources	<u>5,670,000</u>	<u>5,670,000</u>

\$2,236,000 the first year and \$2,236,000 the second year are for metropolitan area regional parks operation and maintenance according to Minnesota Statutes, section 473.351. Notwithstanding Minnesota Statutes, section 473.351, none of this appropriation may be distributed to the Minneapolis Park and Recreation Board under Minnesota Statutes, section 473.351, subdivision 3. For purposes of allocating this appropriation, the term "implementing agency," as defined in Minnesota Statutes, section 473.351, subdivision 1, paragraph (a), does not include the Minneapolis Park and Recreation Board.

\$5,670,000 the first year and \$5,670,000 the second year are from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

\$100,000 the first year and \$100,000 the second year are for the Metropolitan Area Water Supply Policy Advisory Committee study and the Metropolitan Area Water Supply Technical Advisory Committee required under Minnesota Statutes, section 473.1565. This is a onetime appropriation.

Sec. 6. **CONSERVATION CORPS MINNESOTA****\$945,000****\$945,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>455,000</u>	<u>455,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

Conservation Corps Minnesota may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

Sec. 7. **ZOOLOGICAL BOARD****\$7,335,000****\$7,335,000**Appropriations by Fund

	<u>2016</u>	<u>2017</u>
<u>General</u>	<u>7,175,000</u>	<u>7,175,000</u>
<u>Natural Resources</u>	<u>160,000</u>	<u>160,000</u>

\$160,000 the first year and \$160,000 the second year are from the natural resources fund from the revenue deposited under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

Sec. 8. **SCIENCE MUSEUM OF MINNESOTA****\$1,079,000****\$1,079,000**Sec. 9. **ADMINISTRATION****\$500,000****\$500,000**

\$500,000 the first year and \$500,000 the second year are from the state forest suspense account in the permanent school fund for the school trust lands director to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.

Sec. 10. **MINNESOTA MANAGEMENT AND BUDGET****\$3,228,000****\$3,228,000**

\$3,228,000 the first year and \$3,228,000 the second year are for cost analyses of water quality standards as required under this act. The general fund base for this appropriation in fiscal year 2018 and thereafter is \$6,411,000.

Sec. 11. Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended by Laws 2010, First Special Session chapter 1, article 6, section 6, and Laws 2013, chapter 114, article 3, section 9, is amended to read:

Subd. 6. Transfers In

(a) The amounts appropriated from the agency indirect costs account in the special revenue fund are reduced by \$328,000 in fiscal year 2010 and \$462,000 in fiscal year 2011, and those amounts must be transferred to the general fund by June 30, 2011. The appropriation reductions are onetime.

(b) The commissioner of management and budget shall transfer \$48,000,000 in fiscal year 2011 from the closed landfill investment fund in Minnesota Statutes, section 115B.421, to the general fund. The commissioner shall transfer \$9,900,000 on July 1, 2014, ~~\$12,550,000 in each of the years 2015 and 2016, and \$13,000,000 in 2017~~ from the general fund to the closed landfill investment fund. For ~~each~~ the transfer to the closed landfill investment fund, the commissioner shall determine the total amount of interest and other earnings that would have accrued to the fund if the ~~transfers~~ transfer to the general fund under this paragraph had not been made and add this amount to the transfer. The ~~amounts~~ amount necessary for ~~these transfers are~~ the transfer is appropriated from the general fund in the fiscal ~~years~~ year specified for the ~~transfers~~ transfer.

Sec. 12. Laws 2014, chapter 312, article 12, section 6, subdivision 5, is amended to read:

Subd. 5. Fish and Wildlife Management

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2,412,000

\$3,000 in 2015 is from the heritage enhancement account in the game and fish fund for a report on aquatic plant management permitting policies for the management of narrow-leaved and hybrid cattail in a range of basin types across the state. The report shall be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by December 15, 2014, and include recommendations for any necessary changes in statutes, rules, or permitting procedures. This is a onetime appropriation.

\$9,000 in 2015 is from the game and fish fund for the commissioner, in consultation with interested parties, agencies, and other states, to develop a detailed restoration plan to recover the historical native population of bobwhite quail in Minnesota for its ecological and recreational benefits to the citizens of the state. The commissioner shall conduct public meetings in developing the plan. No later than January 15, 2015, the commissioner must report on the plan's progress to the legislative committees with jurisdiction over environment and natural resources policy and finance. This is a onetime appropriation.

\$2,000,000 in 2015 is from the game and fish fund for shooting sports facility grants under Minnesota Statutes, section 87A.10. The commissioner may spend up to \$50,000 of this appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2017.

\$400,000 in 2015 is from the heritage enhancement account in the game and fish fund for hunter and angler recruitment and retention activities and grants to local chapters of Let's Go Fishing of Minnesota to provide community outreach to senior citizens, youth, and veterans and for the costs associated with establishing and recruiting new chapters. The grants must be matched with cash or in-kind contributions from nonstate sources. Of this amount, \$25,000 is for Asian Outdoor Heritage for youth fishing recruitment efforts and outreach in the metropolitan area. The commissioner shall establish a grant application process that includes a standard for ownership of equipment purchased under the grant program and contract requirements that cover the disposition of purchased equipment if the grantee no longer exists. Any equipment purchased with state grant money must be specified on the grant application and approved by the commissioner. The commissioner may spend up to three percent of the appropriation to administer the grant. This is a onetime appropriation and is available until June 30, 2016.

ARTICLE 2

ENVIRONMENT AND NATURAL RESOURCES STATUTORY CHANGES

Section 1. Minnesota Statutes 2014, section 16A.531, subdivision 1a, is amended to read:

Subd. 1a. **Revenues.** The following revenues must be deposited in the environmental fund:

- (1) revenue from the motor vehicle transfer fee as provided in section 115A.908, subdivision 2;
- (2) all fees collected under section 116.07, subdivision 4d;
- ~~(3) all money collected by the Pollution Control Agency in enforcement matters as provided in section 115.073;~~
- ~~(4) (3)~~ all revenues from license fees for subsurface sewage treatment systems under section 115.56;
- ~~(5) (4)~~ all loan repayments deposited under section 115A.0716;
- ~~(6) (5)~~ all revenue from pollution prevention fees imposed under section 115D.12;
- ~~(7) (6)~~ all loan repayments deposited under section 116.994;
- ~~(8) (7)~~ all fees collected under section 116C.834;
- ~~(9) (8)~~ revenue collected from the solid waste management tax pursuant to chapter 297H;
- ~~(10) (9)~~ fees collected under section 473.844;

~~(11)~~ (10) interest accrued on the fund; and

~~(12)~~ (11) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants.

Sec. 2. Minnesota Statutes 2014, section 16C.073, subdivision 2, is amended to read:

Subd. 2. ~~Purchases; printing.~~ (a) Whenever practicable, a public entity shall:

(1) purchase uncoated copy paper, office paper, and printing paper;

(2) purchase recycled content copy paper with at least ~~ten~~ 30 percent postconsumer material by weight and purchase printing and office paper with at least ten percent postconsumer material by weight;

(3) purchase copy, office, and printing paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content copy, office, and printing paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

~~(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;~~

~~(6)~~ (5) use reusable binding materials or staples and bind documents by methods that do not use glue;

~~(7)~~ (6) use soy-based inks;

~~(8)~~ (7) produce reports, publications, and periodicals that are readily recyclable ~~within the state resource recovery program~~; and

~~(9)~~ (8) purchase paper which has been made on a paper machine located in Minnesota.

(b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent postconsumer material.

(c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

~~(d) Notwithstanding paragraph (a), clause (2), and section 16C.0725, copier paper purchased by a state agency must contain at least ten percent postconsumer material by fiber content.~~

Sec. 3. Minnesota Statutes 2014, section 84.415, subdivision 7, is amended to read:

Subd. 7. ~~Existing road right-of-way; Fee exemption.~~ (a) A utility license for crossing public lands or public waters is exempt from all application fees specified in this section and in rules adopted under this section ~~when the utility crossing is on an existing right-of-way of a public road.~~

(b) This subdivision applies to telephone lines and to electric power lines, cables, or conduits under 100 kilovolts.

(c) This subdivision does not apply to electric power lines, cables, or conduits 100 kilovolts or greater or to mains or pipelines for gas, liquids, or solids in suspension.

EFFECTIVE DATE. This section is effective retroactively from July 1, 2014, and does not authorize the retroactive collection of fees.

Sec. 4. **[84.69] NATURAL RESOURCES CONSERVATION EASEMENT STEWARDSHIP ACCOUNT.**

Subdivision 1. Account established; sources. The natural resources conservation easement stewardship account is created in the special revenue fund. The account consists of money credited to the account and interest and other earnings on money in the account. The State Board of Investment must manage the account to maximize long-term gain. The following revenue must be deposited in the natural resources conservation easement stewardship account:

- (1) contributions to the account or specified for any purpose of the account;
- (2) contributions under subdivision 3; section 84.66, subdivision 11; or other applicable law;
- (3) money appropriated for any of the purposes described in subdivision 2;
- (4) money appropriated for monitoring and enforcement of easements and earnings on the money appropriated that revert to the state under section 97A.056, subdivision 17, or other applicable law; and
- (5) gifts under section 84.085 for conservation easement stewardship.

Subd. 2. Appropriation; purposes of account. Five percent of the balance on July 1 of each year in the natural resources conservation easement stewardship account is annually appropriated to the commissioner of natural resources and may be spent only to cover the costs of managing conservation easements held by the Department of Natural Resources, including costs associated with monitoring, landowner contacts, records storage and management, processing landowner notices, requests for approval or amendments, enforcement, and legal services associated with conservation easement management activities.

Subd. 3. Financial contributions. The commissioner shall seek a financial contribution to the natural resources conservation easement stewardship account for each conservation easement acquired by or assigned to the Department of Natural Resources. Unless otherwise provided by law, the commissioner shall determine the amount of the contribution, which must be an amount calculated to earn sufficient money to meet the costs of managing the conservation easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the commissioner shall consider:

- (1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;
- (2) the average hourly wages for the class or classes of employees expected to manage the conservation easement;
- (3) the estimated annual travel expenses to manage the conservation easement;
- (4) the estimated annual miscellaneous costs to manage the conservation easement, including supplies and equipment, information technology support, and aerial flyovers;
- (5) the estimated annualized cost of legal services, including the cost to enforce the easement in the event of a violation; and
- (6) the expected rate of return on investments in the account.

EFFECTIVE DATE. Subdivisions 1 and 2 of this section are effective the day following final enactment. Subdivision 3 of this section is effective for conservation easements acquired with money appropriated on or after July 1, 2015, and for acquisitions of conservation easements by gift that are initiated on or after July 1, 2015.

Sec. 5. Minnesota Statutes 2014, section 84.788, subdivision 5, is amended to read:

Subd. 5. **Report of ownership transfers; fee.** ~~A person who sells or transfers~~ (a) Application for transfer of ownership of an off-highway motorcycle registered under this section shall report the sale or transfer must be made to the commissioner within 15 days of the date of transfer.

~~(b) An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, purchaser using a bill of sale, and a \$4 fee that includes the vehicle serial number.~~

~~(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.~~

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 6. Minnesota Statutes 2014, section 84.788, is amended by adding a subdivision to read:

Subd. 5a. **Report of registration transfers.** (a) Application for transfer of registration under this section must be made to the commissioner within 15 days of the date of transfer.

~~(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.~~

~~(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of registration as provided under this subdivision.~~

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 7. **[84.8031] GRANT-IN-AID APPLICATIONS; REVIEW PERIOD.**

The commissioner must review an off-road vehicle grant-in-aid application and, if approved, commence public review of the application within 60 days after the application has been locally approved and submitted to an area parks and trails office. If the commissioner fails to approve or deny the application within 60 days after submission, the application is deemed approved and the commissioner must provide for a 30-day public review period.

Sec. 8. Minnesota Statutes 2014, section 84.82, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** Registration is not required under this section for:

(1) a snowmobile owned and used by the United States, an Indian tribal government, another state, or a political subdivision thereof;

(2) a snowmobile registered in a country other than the United States temporarily used within this state;

(3) a snowmobile that is covered by a valid license of another state and has not been within this state for more than 30 consecutive days or that is registered by an Indian tribal government to a tribal member and has not been outside the tribal reservation boundary for more than 30 consecutive days;

(4) a snowmobile used exclusively in organized track racing events;

(5) a snowmobile in transit by a manufacturer, distributor, or dealer;

(6) a snowmobile at least 15 years old in transit by an individual for use only on land owned or leased by the individual; ~~or~~

(7) a snowmobile while being used to groom a state or grant-in-aid trail; ~~or~~

(8) a snowmobile with an engine displacement that is less than 125 cubic centimeters provided the snowmobile is not operated on state or grant-in-aid snowmobile trails.

Sec. 9. Minnesota Statutes 2014, section 84.84, is amended to read:

84.84 TRANSFER OR TERMINATION OF SNOWMOBILE OWNERSHIP.

(a) Within 15 days after the transfer of ownership, or any part thereof, other than a security interest, or the destruction or abandonment of any snowmobile, written notice ~~thereof of the transfer or destruction or abandonment~~ shall be given to the commissioner in such form as the commissioner shall prescribe.

(b) An application for transfer must be executed by the registered owner and the purchaser using a bill of sale that includes the vehicle serial number.

(c) The purchaser is subject to the penalties imposed by section 84.88 if the purchaser fails to apply for transfer of ownership as provided under this subdivision. Every owner or part owner of a snowmobile shall, upon failure to give ~~such~~ notice of destruction or abandonment, be subject to the penalties imposed by ~~Laws 1967, chapter 876~~ section 84.88.

EFFECTIVE DATE. This section is effective July 1, 2016.

Sec. 10. Minnesota Statutes 2014, section 84.92, subdivision 8, is amended to read:

Subd. 8. **All-terrain vehicle or vehicle.** "All-terrain vehicle" or "vehicle" means a motorized vehicle ~~of~~ with: (1) not less than three, but not more than six low pressure or non-pneumatic tires, that is limited in engine displacement of less than 1,000 cubic centimeters and; (2) a total dry weight of 2,000 pounds or less; and (3) a total width from outside of tire rim to outside of tire rim that is 65 inches or less. All-terrain vehicle includes a class 1 all-terrain vehicle and class 2 all-terrain vehicle. All-terrain vehicle does not include a golf cart, mini-truck, dune buggy, or go-cart or a vehicle designed and used specifically for lawn maintenance, agriculture, logging, or mining purposes.

Sec. 11. Minnesota Statutes 2014, section 84.92, subdivision 9, is amended to read:

Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an all-terrain vehicle that has a total ~~dry weight of less than 1,200 pounds~~ width from outside of tire rim to outside of tire rim that is 50 inches or less.

Sec. 12. Minnesota Statutes 2014, section 84.92, subdivision 10, is amended to read:

Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an all-terrain vehicle that has a total ~~dry weight of 1,200 to 1,800 pounds~~ width from outside of tire rim to outside of tire rim that is greater than 50 inches but not more than 65 inches.

Sec. 13. Minnesota Statutes 2014, section 84.922, subdivision 4, is amended to read:

Subd. 4. **Report of transfers.** ~~A person who sells or transfers ownership of a vehicle registered under this section shall report the sale or~~ (a) Application for transfer of ownership must be made to the commissioner within 15 days of the date of transfer.

~~(b) An application for transfer must be executed by the registered owner and the purchaser on a form prescribed by the commissioner with the owner's registration certificate, using a bill of sale and a \$4 fee that includes the vehicle serial number.~~

(c) The purchaser is subject to the penalties imposed by section 84.774 if the purchaser fails to apply for transfer of ownership as provided under this subdivision.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 14. Minnesota Statutes 2014, section 84.925, subdivision 5, is amended to read:

Subd. 5. **Training requirements.** (a) An individual who was born after July 1, 1987, and who is 16 years of age or older, must successfully complete the independent study course component of all-terrain vehicle safety training before operating an all-terrain vehicle on public lands or waters, public road rights-of-way, or state or grant-in-aid trails.

(b) An individual who is convicted of violating a law related to the operation of an all-terrain vehicle must successfully complete the independent study course component of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(c) An individual who is convicted for a second or subsequent excess speed, trespass, or wetland violation in an all-terrain vehicle season, or any conviction for careless or reckless operation of an all-terrain vehicle, must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(d) An individual who receives three or more citations and convictions for violating a law related to the operation of an all-terrain vehicle in a two-year period must successfully complete the independent study and the testing and operating course components of all-terrain vehicle safety training before continuing operation of an all-terrain vehicle.

(e) An individual must present evidence of compliance with this subdivision before an all-terrain vehicle registration is issued or renewed. A person may use the following as evidence of meeting all-terrain vehicle safety certificate requirements:

(1) a valid all-terrain vehicle safety certificate issued by the commissioner;

(2) a driver's license that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18; or

(3) an identification card that has a valid all-terrain vehicle safety certificate indicator issued under section 171.07, subdivision 18.

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 15. Minnesota Statutes 2014, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

- (1) make a direct crossing of a public road right-of-way;
- (2) operate an all-terrain vehicle on a public road right-of-way in the state; or
- (3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

- (1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and
- (2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

- (1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and
- (2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the roadway, bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

- (1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and
- (2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle.

Sec. 16. Minnesota Statutes 2014, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928 or by local ordinance under paragraph (k), a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

(b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway unless prohibited under paragraph (d) or (f).

(c) A person may operate a class 1 all-terrain vehicle designed by the manufacturer for off-road use to be driven by a steering wheel and equipped with operator and passenger seat belts and a roll-over protective structure or a class 2 all-terrain vehicle:

(1) within the public road right-of-way of a county state-aid or county highway on the right shoulder or the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f);

(2) on the bank, slope, or ditch of a public road right-of-way of a trunk, county state-aid, or county highway but only to access businesses or make trail connections, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f); and

(3) on the bank or ditch of a public road right-of-way on a designated class 2 all-terrain vehicle trail.

(d) A road authority as defined under section 160.02, subdivision 25, may after a public hearing restrict the use of all-terrain vehicles in the public road right-of-way under its jurisdiction.

(e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway:

(1) that is part of a funded grant-in-aid trail; or

(2) when the all-terrain vehicle is owned by or operated under contract with:

(i) a road authority as defined under section 160.02, subdivision 25; or

(ii) a publicly or privately owned utility or pipeline company and used for work on utilities or pipelines.

(f) The commissioner may limit the use of a right-of-way for a period of time if the commissioner determines that use of the right-of-way causes:

(1) degradation of vegetation on adjacent public property;

- (2) siltation of waters of the state;
- (3) impairment or enhancement to the act of taking game; or
- (4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

The commissioner must notify the road authority as soon as it is known that a closure will be ordered. The notice must state the reasons and duration of the closure.

(g) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(h) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the Department of Natural Resources when performing or exercising official duties or powers.

(i) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(j) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

(k) A county, city, or town, acting through its governing body, may by ordinance allow a person to operate an all-terrain vehicle on a public road or street under its jurisdiction to access businesses and residences and to make trail connections.

EFFECTIVE DATE. The amendments to paragraph (e) of this section are effective the day following final enactment.

Sec. 17. Minnesota Statutes 2014, section 84D.01, is amended by adding a subdivision to read:

Subd. 1a. **Aquatic invasive species affirmation.** "Aquatic invasive species affirmation" means an affirmation of the summary of the aquatic invasive species laws of this chapter that is part of watercraft licenses and nonresident fishing licenses, as provided in section 84D.106.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 18. Minnesota Statutes 2014, section 84D.01, subdivision 13, is amended to read:

Subd. 13. **Prohibited invasive species.** "Prohibited invasive species" means a nonnative species that has been ~~listed~~ designated as a prohibited invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 19. Minnesota Statutes 2014, section 84D.01, subdivision 15, is amended to read:

Subd. 15. **Regulated invasive species.** "Regulated invasive species" means a nonnative species that has been ~~listed~~ designated as a regulated invasive species in a rule adopted by the commissioner under section 84D.12.

Sec. 20. Minnesota Statutes 2014, section 84D.01, subdivision 17, is amended to read:

Subd. 17. **Unlisted nonnative species.** "Unlisted nonnative species" means a nonnative species that has not been ~~listed~~ designated as a prohibited invasive species, a regulated invasive species, or an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 21. Minnesota Statutes 2014, section 84D.01, subdivision 18, is amended to read:

Subd. 18. **Unregulated nonnative species.** "Unregulated nonnative species" means a nonnative species that has been ~~listed~~ designated as an unregulated nonnative species in a rule adopted by the commissioner under section 84D.12.

Sec. 22. Minnesota Statutes 2014, section 84D.06, is amended to read:

84D.06 UNLISTED NONNATIVE SPECIES.

Subdivision 1. **Process.** A person may not introduce an unlisted nonnative aquatic plant or wild animal species unless:

- (1) the person has notified the commissioner in a manner and form prescribed by the commissioner;
- (2) the commissioner has made the classification determination required in subdivision 2 and ~~listed~~ designated the species as appropriate; and
- (3) the introduction is allowed under the applicable provisions of this chapter.

Subd. 2. **Classification.** (a) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a prohibited invasive species, the commissioner shall:

- (1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as a prohibited invasive species; and
- (2) notify the person from which the notification was received that the species is subject to section 84D.04.

(b) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as an unregulated nonnative species, the commissioner shall:

- (1) adopt a rule under section 84D.12, subdivision 3, ~~listing~~ designating the species as an unregulated nonnative species; and
- (2) notify the person from which the notification was received that the species is not subject to regulation under this chapter.

(c) If the commissioner determines that a species for which a notification is received under subdivision 1 should be classified as a regulated invasive species, the commissioner shall notify the applicant that the species is subject to the requirements in section 84D.07.

Sec. 23. Minnesota Statutes 2014, section 84D.10, subdivision 3, is amended to read:

Subd. 3. **Removal and confinement.** (a) A conservation officer or other licensed peace officer may order:

(1) the removal of aquatic macrophytes or prohibited invasive species from water-related equipment, including decontamination using hot water or high pressure equipment when available on site, before ~~it~~ the water-related equipment is transported or before it is placed into waters of the state;

(2) confinement of the water-related equipment at a mooring, dock, or other location until the water-related equipment is removed from the water;

(3) removal of water-related equipment from waters of the state to remove prohibited invasive species if the water has not been listed by the commissioner as being infested with that species; ~~and~~

(4) a prohibition on placing water-related equipment into waters of the state when the water-related equipment has aquatic macrophytes or prohibited invasive species attached in violation of subdivision 1 or when water has not been drained or the drain plug has not been removed in violation of subdivision 4-; and

(5) decontamination of water-related equipment when available on site.

(b) An order for removal of prohibited invasive species under paragraph (a), clause (1), or decontamination of water-related equipment under paragraph (a), clause (5), may include tagging the water-related equipment and issuing a notice that specifies a time frame for completing the removal or decontamination and reinspection of the water-related equipment.

~~(b)~~ (c) An inspector who is not a licensed peace officer may issue orders under paragraph (a), clauses (1), (3), ~~and~~ (4), and (5).

Sec. 24. **[84D.106] AQUATIC INVASIVE SPECIES AFFIRMATION.**

Aquatic invasive species affirmation is required for all:

(1) watercraft licenses issued under section 86B.401; and

(2) all nonresident fishing licenses, as provided in section 97C.301, subdivision 2a.

EFFECTIVE DATE. Clause (1) of this section is effective January 1, 2016, and clause (2) of this section is effective March 1, 2016.

Sec. 25. Minnesota Statutes 2014, section 84D.11, subdivision 1, is amended to read:

Subdivision 1. **Prohibited invasive species.** The commissioner may issue a permit for the propagation, possession, importation, purchase, or transport of a prohibited invasive species for the purposes of disposal, decontamination, control, research, or education.

Sec. 26. Minnesota Statutes 2014, section 84D.12, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** The commissioner shall adopt rules:

(1) ~~listing~~ designating prohibited invasive species, regulated invasive species, and unregulated nonnative species of aquatic plants and wild animals;

(2) governing the application for and issuance of permits under this chapter, which rules may include a fee schedule; and

(3) governing notification under section 84D.08.

Sec. 27. Minnesota Statutes 2014, section 84D.12, subdivision 3, is amended to read:

Subd. 3. **Expedited rules.** The commissioner may adopt rules under section 84.027, subdivision 13, that ~~list~~ designate:

(1) prohibited invasive species of aquatic plants and wild animals;

(2) regulated invasive species of aquatic plants and wild animals; and

(3) unregulated nonnative species of aquatic plants and wild animals.

Sec. 28. Minnesota Statutes 2014, section 84D.13, subdivision 5, is amended to read:

Subd. 5. **Civil penalties.** (a) A civil citation issued under this section must impose the following penalty amounts:

(1) for transporting aquatic macrophytes in violation of section 84D.09, \$100;

(2) for placing or attempting to place into waters of the state water-related equipment that has aquatic macrophytes attached, \$200;

(3) for unlawfully possessing or transporting a prohibited invasive species other than an aquatic macrophyte, \$500;

(4) for placing or attempting to place into waters of the state water-related equipment that has prohibited invasive species attached when the waters are not listed by the commissioner as being infested with that invasive species, \$500;

(5) for intentionally damaging, moving, removing, or sinking a buoy marking, as prescribed by rule, Eurasian water milfoil, \$100;

(6) for failing to have drain plugs or similar devices removed or opened while transporting water-related equipment or for failing to remove plugs, open valves, and drain water from water-related equipment, other than marine sanitary systems, before leaving waters of the state, \$100; ~~and~~

(7) for transporting infested water off riparian property without a permit as required by rule, \$200; and

(8) for failing to have aquatic invasive species affirmation displayed or available for inspection as provided in sections 86B.401 and 97C.301, subdivision 2a, \$25.

(b) A civil citation that is issued to a person who has one or more prior convictions or final orders for violations of this chapter is subject to twice the penalty amounts listed in paragraph (a).

Sec. 29. Minnesota Statutes 2014, section 84D.15, subdivision 3, is amended to read:

Subd. 3. **Use of money in account.** Money credited to the invasive species account in subdivision 2 shall be used for management of invasive species and implementation of this chapter as it pertains to invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, habitat improvements, and research.

Sec. 30. **[84D.16] COUNTY AQUATIC INVASIVE SPECIES PREVENTION GRANTS.**

Subdivision 1. Definitions. (a) When used in this section, the following terms have the meanings given them.

(b) "Aquatic invasive species" means nonnative aquatic organisms that invade water beyond their natural and historic range.

(c) "Watercraft trailer launch" means any public water access site designed for launching watercraft.

(d) "Watercraft trailer parking space" means a parking space designated for a boat trailer at any public water access site designed for launching watercraft.

Subd. 2. Grants. (a) The commissioner shall award aquatic invasive species prevention grants to all counties in the state as follows: 50 percent based on each county's share of watercraft trailer launches and 50 percent based on each county's share of watercraft trailer parking spaces.

(b) The commissioner must compute the amount of each county's aquatic invasive species prevention grant under this section for the next fiscal year based upon available funds by August 1, 2015, and by August 1 each year thereafter, and notify each county of the amount of the grant. Beginning November 1, 2015, and each November 1 thereafter, the county proposed to receive a grant under this section must submit a copy of its guidelines for use of the grant to the commissioner or notify the commissioner of the county's intent to refuse the grant. Any refused funds are available in the next fiscal year for allocation to counties as provided in this subdivision. The commissioner shall award grants to counties in two payments to occur on July 20 and December 26 of the following calendar year.

Subd. 3. Use of proceeds. A county that receives a grant under this section must use the proceeds solely to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county. The county must establish, by resolution or through adoption of a plan, guidelines for the use of the proceeds. The guidelines set by the county board may include but are not limited to providing for site-level management, countywide awareness, and other procedures that the county finds necessary to achieve compliance. The county may appropriate the proceeds directly or may use any portion of the proceeds to provide funding for a joint powers board or cooperative agreement with another political subdivision, a soil and water conservation district in the county, a watershed district in the county, or a lake association located in the county. Any money appropriated by the county to a different entity or political subdivision must be used as required under this section.

EFFECTIVE DATE. Subdivision 2, paragraph (a), of this section is effective July 1, 2016.

Sec. 31. Minnesota Statutes 2014, section 85.015, is amended by adding a subdivision to read:

Subd. 1e. Connection to state parks and recreation areas. Trails designated under this section may include connections to state parks or recreation areas that generally lie in between or within the vicinity of the waymarks specifically named in the designation.

Sec. 32. Minnesota Statutes 2014, section 85.015, subdivision 28, is amended to read:

Subd. 28. Camp Ripley/Veterans State Trail, Crow Wing, Cass, and Morrison Counties. The trail shall originate at Crow Wing State Park in Crow Wing County at the southern end of the Paul Bunyan Trail and shall extend from Crow Wing State Park westerly to the city of Pillager, then southerly along the west side of Camp Ripley, then easterly along the south side of Camp Ripley across to the east side of the Mississippi River, and then northerly through Fort Ripley to Crow Wing State Park. A second segment of the trail shall be established that shall extend in a southerly direction and in close proximity to the Mississippi River from the southeasterly portion of the first segment of the trail to the city of Little Falls, and then terminate at the Soo Line Trail in Morrison County. Separation of motorized and nonmotorized corridors is acceptable as needed.

Sec. 33. **[85.0506] LAKE VERMILION-SOUDAN UNDERGROUND MINE STATE PARK; HOISTS.**

The Lake Vermilion-Soudan Underground Mine State Park mine tour operation is exempt from sections 326B.163 to 326B.191. The federal mine code for hoists that lift people under Code of Federal Regulations, title 30, part 57, subpart R, applies to the Lake Vermilion-Soudan Underground Mine State Park hoist. The commissioner shall employ a hoist safety expert to conduct an annual inspection of the hoist system at the Lake Vermilion-Soudan Underground Mine State Park.

Sec. 34. Minnesota Statutes 2014, section 85.054, subdivision 12, is amended to read:

Subd. 12. **Lake Vermilion-Soudan Underground Mine State Park.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the visitor parking area of Soudan Underground Mine State Park and the Stuntz Bay boat house area.

Sec. 35. Minnesota Statutes 2014, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark state water trails on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, Cedar, Shell Rock, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak, and watercraft travelers.

Sec. 36. Minnesota Statutes 2014, section 86B.401, subdivision 3, is amended to read:

Subd. 3. **Licensing.** (a) The license agent shall register the watercraft on receiving an application and the license fee. A license and registration sticker with a registration number shall be issued and must be affixed to the watercraft as prescribed by the commissioner of natural resources.

(b) A license includes aquatic invasive species affirmation as provided in section 84D.106. The aquatic invasive species affirmation portion of the license must be displayed with the signed license certificate. The aquatic invasive species affirmation will be provided with an application for a new, transfer, duplicate, or renewal watercraft license.

(c) The license is not valid unless signed by at least one owner.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

EFFECTIVE DATE. This section is effective January 1, 2016.

Sec. 37. Minnesota Statutes 2014, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards,

owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must ~~follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System~~ use only fuel materials as outlined in the current edition of National Fire Protection Association 1403, Standard on Live Fire Training Evolutions, and obtain the applicable live burn documents in accordance with the current edition of the Board of Firefighter Training and Education's live burn plan established according to section 299N.02, subdivision 3, clause (2).

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one-mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 38. Minnesota Statutes 2014, section 88.49, subdivision 3, is amended to read:

Subd. 3. **Recording Provisions of auxiliary forest contract to run with the land.** ~~The commissioner shall submit such contract in recordable form to the owner of the land covered thereby. If the owner shall indicate to the commissioner an unwillingness to execute the same, or if the owner or any of the persons having an interest therein or lien thereon fail to execute it within 60 days from the time of its submission to the owner, all proceedings relating to the making of this land into an auxiliary forest shall be at an end.~~

~~When the contract shall have been executed it shall forthwith be recorded in the office of the county recorder at the expense of the owner or, if the title to the land be registered, with the registrar of titles. At the time the contract is recorded with the county recorder for record the owner, at the owner's expense, shall record with the county recorder a certificate from the county attorney to the effect that no change in record title thereof has occurred, that no liens or other encumbrances have been placed thereon, and that no taxes have accrued thereon since the making of the previous certificate. It shall be the duty of the county attorney to furnish this certificate without further compensation.~~

All the provisions of ~~the a recorded~~ contract shall be for an auxiliary forest are deemed covenants running with the land from the date of the filing of the contract for record.

Sec. 39. Minnesota Statutes 2014, section 88.49, subdivision 4, is amended to read:

Subd. 4. **Effect.** Upon the filing of the contract for record, the land ~~therein~~ described in the contract shall become, and, during the life of the contract, remain ~~and be~~, an auxiliary forest entitled to all the benefits and subject to all the restrictions of sections ~~88.47 88.49~~ 88.49 to 88.53, ~~all of which shall be deemed a~~. These sections are part of the obligation of the contract and shall be are inviolate, subject only to the police power of the state, to the power of eminent domain, and to ~~the right of the parties thereto by mutual agreement to make applicable to the contract any laws of the state enacted subsequent to its the execution and filing. This provision shall not be so construed as to prevent amendatory or supplementary legislation which does of the contract. Laws enacted subsequent to the date of execution of the contract are applicable to the contract, so long as the laws do not impair these the contract rights of the parties thereto, or as to prevent amendatory or supplementary legislation in respect of the culture, care, or management of the lands included in any such contract signatories of the contract or their successors or assigns.~~

Sec. 40. Minnesota Statutes 2014, section 88.49, subdivision 5, is amended to read:

Subd. 5. **Cancellation.** ~~Upon the failure of (a) If the owner fails to faithfully to fulfill and perform such the contract or, any provision thereof of the contract, or any requirement of sections 88.47 88.49 to 88.53, or any rule adopted by the commissioner thereunder~~ adopts under those sections, the commissioner may cancel the contract in the manner herein provided. The commissioner shall give to the owner, in the manner prescribed in section 88.48, subdivision 4, 60 days' notice of a hearing thereon at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall thereupon then determine whether the contract should be canceled and make an order to that effect. Notice of the commissioner's determination and the making of the order shall be given to The commissioner shall give the owner in the manner provided in section 88.48, subdivision 4 notice of the commissioner's determination and order. On determining If the commissioner determines that the contract should be canceled and no appeal therefrom be taken the owner does not appeal the determination as provided in subdivision 7, the commissioner shall send notice thereof of the cancellation to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, who. The recorder shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described in the contract shall cease to be an auxiliary forest and, together with the timber thereon on the land, become liable to for all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest the land from the time of the making of the contract, any notwithstanding provisions of the statutes of limitation to the contrary notwithstanding, less. The amount of taxes paid under the provisions of section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties, must be subtracted from the tax owed by the owner.

(b) The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.

(c) The commissioner shall cancel any the contract if the owner has made successful application successfully applied under sections 290C.01 to 290C.11, the Sustainable Forest Incentive Act, sections 290C.01 to 290C.11, and has paid to the county treasurer the tax difference between the amount which that would have been paid had the land under contract been subject to the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the recording of the contract and the amount actually paid under section 88.51, subdivisions subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2. This tax difference must be calculated based on the years the lands would have been taxed under the Tree Growth Tax Law and the Sustainable Forest Incentive Act. The sustainable forest tax difference is net of the incentive payment of section 290C.07. If the amount which that would have been paid, had if the land under contract had been under the Minnesota Tree Growth Tax Law and the Sustainable Forest Incentive Act from the date of the filing of the contract, was filed is less than the amount actually paid under the contract, the cancellation shall be made without further payment by the owner.

~~When (d) If~~ the execution of ~~any the~~ contract creating an auxiliary forest ~~shall have been~~ is procured through fraud or deception ~~practiced upon on~~ the county board ~~or,~~ the commissioner, or any other person or body representing the state, ~~it may be canceled~~ cancel it upon suit brought by the attorney general at the direction of the commissioner. This cancellation ~~shall have~~ has the same effect as the cancellation of a contract by the commissioner.

Sec. 41. Minnesota Statutes 2014, section 88.49, subdivision 6, is amended to read:

Subd. 6. **Assessment after cancellation.** (a) For the purpose of levying ~~such~~ taxes, the county auditor shall, immediately upon ~~receipt of~~ receiving notice of the cancellation of ~~any a~~ contract creating an auxiliary forest, direct the local assessor to assess the lands within the forest, excluding the value of merchantable timber and minerals and other things of value taxed under the provisions of Minnesota Statutes 2014, section 88.51, subdivision 2, ~~as of~~ for each of the years ~~during which~~ the lands ~~have been~~ were included within the auxiliary forest. The local assessor shall ~~forthwith~~ make the assessment and certify the same to the county auditor. The county auditor shall ~~thereupon~~ levy a tax on the assessable value of the land ~~as,~~ fixed by section 273.13, for each of the years ~~during which~~ the land ~~has been~~ was within an auxiliary forest, at the rate at which other real estate within the taxing district was taxed in those years. The tax ~~so assessed and levied against any land shall be~~ is a first and prior lien upon the land and upon all timber and forest products growing, grown, or cut ~~thereon on the land~~ and removed ~~therefrom from the land~~. These taxes ~~shall must~~ be enforced in the same manner as other taxes on real estate are enforced and, ~~in addition thereto,~~ the lien of the tax on forest products cut or removed from this land ~~shall must~~ be enforced by the seizure and sale of the forest products.

(b) No person shall, after the mailing by the commissioner, as provided in subdivision 5, of notice of hearing on the cancellation of ~~a the~~ contract making ~~any~~ lands an auxiliary forest, cut or remove from these lands any timber or forest products growing, grown, or cut thereon until all taxes levied under this subdivision ~~shall have been~~ are paid, or, ~~in the event such if the~~ levy ~~shall is~~ not ~~have been~~ completed, until the owner ~~shall have~~ has given a bond payable to the county, with sureties approved by the county auditor, in ~~such the~~ amount ~~as~~ the county auditor ~~shall deem deems~~ ample for the payment of all taxes that may be levied ~~thereon~~ under this subdivision, conditioned for the payment of ~~such the~~ taxes.

(c) Any person who ~~shall violate any of the provisions of~~ violates this subdivision ~~shall be~~ is guilty of a felony.

Sec. 42. Minnesota Statutes 2014, section 88.49, subdivision 7, is amended to read:

Subd. 7. **Appeal.** (a) The owner may appeal from any cancellation order of the commissioner to the district court of the county ~~wherein where~~ the land is ~~situate,~~ located by serving notice of appeal on the commissioner and filing the same with the court administrator of the district court within 30 days after the date of mailing ~~of~~ notice of such order.

(b) The appeal ~~shall must~~ be tried between the state of Minnesota and the owner by the court as a suit for the rescission of a contract is tried, and the judgment of the court ~~shall be~~ is substituted for the cancellation order of the commissioner, and ~~shall be~~ is final.

Sec. 43. Minnesota Statutes 2014, section 88.49, subdivision 8, is amended to read:

Subd. 8. **Proceedings in lieu of cancellation.** If cause for the cancellation of ~~any a~~ contract ~~shall exist~~ exists, the commissioner may, in lieu of canceling ~~such the~~ contract, perform the terms and conditions, ~~other than the payment of that the owner was required to perform,~~ except that the commissioner may not pay any taxes; that the owner was required, by the contract or by law or by the rules of the commissioner, to be performed by the owner, and may for that purpose to have paid by law. The commissioner may use any available moneys appropriated for the maintenance of the commissioner's division and any other lawful means to perform all other terms and

conditions required to maintain the auxiliary forest status. The commissioner shall, on December 1 each year, certify to the auditor of each county the amount of moneys ~~thus~~ expended on and the value of services ~~thus~~ rendered ~~in respect of any lands therein~~ for land in the county since December 1 of the preceding year. The county auditor shall ~~forthwith~~ assess and levy the amount shown by this certificate against the lands described ~~therein~~. This amount shall ~~bear~~ bears interest at the rate of six percent per annum and ~~shall be~~ is a lien upon the lands described ~~therein~~, ~~and~~. The collection ~~thereof~~ of the tax must be enforced in the same manner as taxes levied under section 88.52, subdivision 1 $\frac{1}{2}$; and, if ~~such the tax be~~ is not sooner paid, it ~~shall~~ must be added to, and the payment ~~thereof~~ enforced with, the yield tax imposed under section 88.52, subdivision 2.

Sec. 44. Minnesota Statutes 2014, section 88.49, subdivision 9, is amended to read:

Subd. 9. **Auxiliary forests; withdrawal of land from.** (a) Land needed for other purposes may be withdrawn from an auxiliary forest ~~as herein provided~~. The owner may submit a verified application ~~therefor~~ in a form prescribed by the commissioner of natural resources ~~may be made by the owner~~ to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. ~~Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision.~~ The county board shall consider the application and hear any matter offered in support of or in opposition to the application. The county board shall make proper record of its action upon the application. If the application is rejected, the county board shall prepare a written statement stating the reasons for the rejection within 30 days of the date of rejection. If the application is rejected, the county auditor shall, within 30 days of the rejection, endorse the rejection on the application and return it, together with a copy of the written statement prepared by the county board stating the reasons for rejection to the applicant. The rejected application and written statement must be sent to the owner by certified mail at the address given in the application.

(b) If the application is disapproved as to only a part of the lands described, the county auditor shall notify the applicant in the same manner as if the application were rejected. The applicant may amend the application within 60 days after the notice is mailed. If it is not amended, the application is deemed rejected.

(c) If the county board ~~shall determine~~ determines that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes ~~thereof~~ of the auxiliary forest as provided by law, the board may, in its discretion, grant the application, subject to the approval of the commissioner. Upon such approval ~~a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract.~~ Thereupon by both the county board and the commissioner, the county auditor shall notify the applicant and the commissioner. Upon notice from the county auditor, the commissioner shall cause to be prepared a supplemental contract executed by the commissioner on behalf of the state and by the owner of the fee title or the holder of a state deed and by all other persons having any liens on the land and witnessed and acknowledged as provided by law for the execution of recordable deeds of conveyance. Notices sent by certified mail to the owner in fee at the address given in the application is deemed notice to all persons executing the supplemental contract. The supplemental contract must be prepared by the director of the Division of Forestry on a recordable form approved by an attorney appointed by the commissioner. Every supplemental contract must be approved by the Executive Council. The commissioner shall submit the supplemental contract to the owner of the land. If the owner indicates to the commissioner an unwillingness to execute the supplemental contract, or if the owner or any of the persons with an interest in the land or a lien upon the land fail to execute the contract within 60 days from the time of submission of the contract to the owner for execution, all proceedings relating back to the withdrawal of the land from an auxiliary forest shall be at an end. When the supplemental contract is executed, it must be recorded in the office of the county recorder at the expense of the owner or, if the title to the land is registered, the supplemental contract must be recorded with the registrar of titles. At the time the contract is recorded with the county recorder, the owner, at the owner's expense, shall record with the county recorder a certificate from the county attorney to the effect that no change in record title to the land has

occurred, that no liens or other encumbrances have been placed on the land, and that no taxes have accrued on the land since the making of the previous certificate. The county attorney must furnish this certificate without further compensation. Upon execution and recording of the supplemental contract, the land described in the supplemental contract shall cease that is to be withdrawn from the auxiliary forest ceases to be part of the auxiliary forest, and, together with the timber thereon, shall be the owner is liable to taxes and assessments of the withdrawn portion together with the timber on the withdrawn portion in like manner as upon cancellation of an auxiliary forest contract.

Sec. 45. Minnesota Statutes 2014, section 88.49, subdivision 11, is amended to read:

Subd. 11. **Auxiliary forests; transfer of title; procedure on division.** The title to the land in an auxiliary forest or any part thereof of an auxiliary forest is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract therefor and to applicable provisions of law. ~~In case~~ If the ownership of ~~such a~~ an auxiliary forest is divided into two or more parts by any transfer or transfers of title and the owners of all ~~such~~ the parts desire to have the ~~same parts~~ made separate auxiliary forests, ~~they~~ the owners may join in a verified application therefor to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, ~~in its discretion,~~ grant the application, subject to the approval of the commissioner. Upon ~~such~~ approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of ~~such the~~ prior contract, eliminating therefrom the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of ~~such the~~ contract. The new contract or contracts and modification of the prior contract ~~shall must~~ be executed and otherwise dealt with in like manner as provided for ~~an original a supplemental~~ auxiliary forest contract in subdivision 9, but no such instrument ~~shall must~~ take effect until all of them, ~~covering together all parts of the forest existing before the transfer,~~ have been executed, filed, and recorded or registered, ~~as the case may require.~~ Upon the taking effect of ~~When~~ all ~~such the~~ instruments take effect, the owner of the forest prior to the transfer ~~shall be is~~ divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except ~~such those~~ as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof ~~shall be are~~ subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 46. Minnesota Statutes 2014, section 88.491, subdivision 2, is amended to read:

Subd. 2. **Effect of expired contract.** When auxiliary forest contracts expire, or prior to expiration by mutual agreement between the ~~land owner~~ landowner and the appropriate county office, the lands previously covered by an auxiliary forest contract automatically qualify for inclusion under the provisions of the Sustainable Forest Incentive Act; provided that when such lands are included in the Sustainable Forest Incentive Act prior to expiration of the auxiliary forest contract, they will be transferred and a tax paid as provided in section 88.49, subdivision 5, upon application and inclusion in the sustainable forest incentive program. The ~~land owner~~ landowner shall pay taxes in an amount equal to the difference between:

(1) the sum of:

(i) the amount which would have been paid from the date of the recording of the contract had the land under contract been subject to the Minnesota Tree Growth Tax Law; plus

(ii) beginning with taxes payable in 2003, the taxes that would have been paid if the land had been enrolled in the sustainable forest incentive program; and

(2) the amount actually paid under section 88.51, ~~subdivisions~~ subdivision 1, and Minnesota Statutes 2014, section 88.51, subdivision 2.

Sec. 47. Minnesota Statutes 2014, section 88.50, is amended to read:

88.50 TAXATION.

Every auxiliary forest in this state ~~shall~~ must be taxed ~~in the manner and to the extent hereinafter provided according to sections 88.49 to 88.53~~ and not otherwise. Except as expressly permitted by sections ~~88.47~~ 88.49 to 88.53, no auxiliary forest shall be taxed for, or ~~in any manner~~, directly or indirectly made to contribute to, or become liable for the payment of, any tax or assessment, general or special, or any bond, certificate of indebtedness, or other public obligation of any name or kind, made, issued, or created subsequent to the filing of the contract creating the auxiliary forest, provided that temporary buildings, structures, or other fixtures ~~of whatsoever kind~~ located upon land within an auxiliary forest shall be valued and assessed as personal property and classified as class 3 under the general system of ad valorem taxation. In any proceeding for the making of a special improvement under the laws of this state by which any auxiliary forest will be benefited, the owner ~~thereof~~ may subject the lands ~~therein~~ to assessment ~~therefor~~ in the manner provided by law, by filing the owner's written consent ~~in writing~~ to the ~~making of the~~ assessment in the tribunal in which the proceeding is pending, ~~whereupon~~. The lands shall for the purposes of the improvement and assessment not be treated as lands ~~not~~ in an auxiliary forest; but the lien of any assessment ~~so~~ levied on lands in any auxiliary forest ~~shall be~~ is subject to the provisions of the contract creating the auxiliary forest and subordinate to the lien of any tax imposed under the provisions of sections ~~88.47~~ 88.49 to 88.53.

Sec. 48. Minnesota Statutes 2014, section 88.51, subdivision 1, is amended to read:

Subdivision 1. **Annual tax, ten cents per acre.** (a) From and after the filing of the contract creating any tract of land an auxiliary forest under sections ~~88.47~~ 88.49 to 88.53 and hereafter upon any tract heretofore created as an auxiliary forest, the surface of the land ~~therein~~, exclusive of mineral or anything of value thereunder, ~~shall~~ must be taxed annually at the rate of 10 cents per acre. This tax ~~shall~~ must be levied and collected, and the payment ~~thereof~~ of the tax, with penalties and interest, enforced in the same manner as other taxes on real estate, and ~~shall~~ must be credited to the funds of the taxing districts affected in the proportion of their interest in the taxes on this land if it had not been so made an auxiliary forest; provided, that such tax ~~shall be~~ is due in full on or before May 31, after the levy thereof. Failure to pay when due any tax so levied ~~shall be~~ is cause for cancellation of the contract.

(b) The levy upon the land of the taxes provided for by section 88.49, subdivision 5, upon the cancellation of a contract, ~~shall discharge and annul~~ discharges and annuls all unpaid taxes levied or assessed ~~thereon~~ on the land.

Sec. 49. Minnesota Statutes 2014, section 88.51, subdivision 3, is amended to read:

Subd. 3. **Determination of estimated market value.** In determining the net tax capacity of property within any taxing district, the value of the surface of lands within any auxiliary forest ~~therein~~ in the taxing district, as determined by the county board ~~under the provisions of section 88.48, subdivision 3~~, shall, for all purposes except the levying of taxes on lands within any such forest, be deemed the estimated market value ~~thereof~~ of those surface lands.

Sec. 50. Minnesota Statutes 2014, section 88.52, subdivision 2, is amended to read:

Subd. 2. **Examination, report.** When any timber growing or standing in any auxiliary forest ~~shall have become~~ is suitable for merchantable forest products, the commissioner shall, at the written request of the owner, a copy of which shall at the time be filed in the office of the county auditor, make an examination of the timber and designate for the owner the kind and number of trees most suitable to be cut ~~if in the judgment of the commissioner there be any, and~~. The cutting and removal of ~~these~~ designated trees ~~so designated shall~~ must be in accordance with the instructions of the commissioner. The commissioner shall inspect the cutting or removal and determine whether it

or the manner of its performance constitute a violation of the terms of the contract creating the auxiliary forest or of the laws applicable thereto laws, or of the instructions of the commissioner relative to the cutting and removal. Any such violation shall be ~~is~~ ground for cancellation of the contract by the commissioner; otherwise the contract shall ~~continue~~ continues in force for the remainder of the period ~~therein~~ stated in the contract, regardless of the cutting and removal. Within 90 days after the completion of any cutting or removal operation, the commissioner shall make a report of findings ~~thereon~~ and transmit copies of ~~such~~ the report to the county auditor and the surveyor general.

Sec. 51. Minnesota Statutes 2014, section 88.52, subdivision 3, is amended to read:

Subd. 3. **Kinds, permit, scale report, assessment and payment of tax.** (a) Upon ~~the~~ filing of the owner's written request ~~of the owner as provided in subdivision 2~~, the director of ~~lands and~~ forestry, with the county board or the county land commissioner, shall determine within 30 days the kinds, quantities, and value on the stump of the timber proposed to be cut.

Before the cutting is to begin, the director of ~~lands and~~ forestry shall file with the county auditor a report showing the kinds, quantities, and value of the timber proposed to be cut or removed and approved by the director of ~~lands and~~ forestry for cutting within two years after the date of approval of the report by the director of ~~lands and~~ forestry. The county auditor shall assess and levy the estimated yield tax thereon, make proper record of this assessment and levy in the auditor's office, and notify the owner of the auxiliary forest of the tax amount ~~thereof~~. The owner shall, before any timber in the forest is cut or removed, give a bond payable to the state of Minnesota, or ~~in lieu thereof~~, a deposit in cash with the county treasurer, in the amount required by the report, ~~which shall be~~ and not less than 150 percent of the amount of the levy, conditioned for the payment of all taxes on the timber to be cut or removed. Upon receipt of notification from the county auditor that the bond or cash requirement has been deposited, the director of ~~lands and~~ forestry will issue a cutting permit in accordance with the report. The owner shall keep an accurate count or scale of all timber cut. On or before ~~the fifteenth day of April 15~~ following issuance of ~~such~~ the cutting permit, and on or before ~~the fifteenth day of April 15~~ of each succeeding year in which any merchantable wood products were cut on auxiliary forest lands prior to the termination of ~~such~~ the permit, the owner of the timber covered by the permit shall file with the director of ~~lands and~~ forestry a sworn statement, submitted in duplicate, on a form prepared by the director of ~~lands and~~ forestry, one copy of which shall ~~must~~ be transmitted to the county auditor, specifying the quantity and value of each variety of timber and kind of product cut during the preceding year ending on March 31, as shown by the scale or measurement ~~thereof~~ made on the ground as cut, skidded, or loaded as the case may be. If no such scale or measurement ~~shall have been~~ was made on the ground, an estimate ~~thereof shall~~ must be made and ~~such estimate~~ corrected by the first scale or measurement, made in the due course of business, ~~and such~~. The correction ~~must~~ at once ~~be~~ filed with the director of ~~lands and~~ forestry who shall immediately transmit it to the county auditor. On or before ~~the fifteenth day of May 15~~ following the filing of the sworn statement covering the quantity and value of timber cut under an authorized permit, the auditor shall assess and levy a yield (severance) tax, according to Minnesota Statutes 2014, section 88.51, subdivision 2, of the timber cut during the year ending on ~~the March 31st~~ 31 preceding the date of assessing and levying this tax. This tax is payable and must be paid to the county treasurer on or before ~~the following~~ May 31 ~~next following~~. Copies of the yield (severance) tax assessment and of the yield (severance) tax payment shall ~~must~~ be filed with the director of ~~lands and~~ forestry and the county auditor. Except as otherwise provided, all yield (severance) taxes herein provided for shall ~~must~~ be levied and collected, and payment ~~thereof~~, with penalties and interest, enforced in the same manner as taxes imposed under ~~the provisions of~~ section 88.51, subdivision 1, and shall ~~must~~ be credited to the funds of the taxing districts affected in the proportion of their interests in the taxes on the land producing the yield (severance) tax. ~~At any time~~ On deeming it necessary, the director of ~~lands and~~ forestry may order an inspection of any or all cutting areas within an auxiliary forest and ~~also~~ may require the owner of the auxiliary forest to produce for inspection by the director of ~~lands and~~ forestry of any or all cutting records pertaining to timber cutting operations within an auxiliary forest for the purpose of determining the accuracy of scale or measurement reports, and if intentional error in scale or measurement reports is found to exist, shall levy and assess a tax triple the yield (severance) tax on the stumpage value of the timber cut in excess of the quantity and value reported.

(b) The following alternative method of assessing and paying annually the yield tax on an auxiliary forest is to be available to an auxiliary forest owner upon application and upon approval of the county board of the county within which the auxiliary forest is located.

For auxiliary forests entered under this ~~subdivision paragraph~~, the county auditor shall assess and levy the yield tax by multiplying the acreage of each legal description included within the auxiliary forest by the acre quantity of the annual growth by species, calculated in cords, or in thousands of feet board measure Minnesota standard log scale rule, whichever is more reasonably usable, for the major species found in each type by the from year-to-year appraised stumpage prices for each of these species, used by the Division of ~~Lands and~~ Forestry, Department of Natural Resources, in selling trust fund timber located within the district in which the auxiliary forest is located. The assessed value of the annual growth of the auxiliary forest, thus determined, ~~shall be~~ is subject to a ten percent of stumpage value yield tax, payable annually on or before May 31. In all other respects the assessment, levying and collection of the yield tax, as provided for in this subdivision ~~shall~~ must follow the procedures specified in ~~clause paragraph~~ (a).

Forest owners operating under this ~~subdivision shall be~~ paragraph are subject to all other provisions of the auxiliary forest law except ~~such the~~ provisions of ~~clause paragraph~~ (a) ~~as that~~ are in conflict with this ~~subdivision paragraph~~. Penalties for intentional failure by the owner to report properly the quantity and value of the annual growth upon an auxiliary forest entered under this ~~subdivision paragraph~~ and for failure to pay the yield tax when due ~~shall be~~ are the same as the penalties specified in other subdivisions of this law for like failure to abide by its provisions.

To qualify for the assessment and levying of the yield tax by this method, the owner of the forest requesting this method of taxation must submit a map or maps and a tabulation in acres and in quantity of growth by legal descriptions showing the division of the area covered by the auxiliary forest for which this method of taxation is requested into the following forest types, namely: white and ~~Norway~~ red pine; jack pine; aspen-birch; spruce-balsam fir; ~~swamp~~ black spruce; tamarack; cedar; upland hardwoods; lowland hardwoods; upland brush and grass (temporarily nonproductive); lowland brush (temporarily nonproductive); and permanently nonproductive (open bogs, stagnant swamps, rock outcrops, flowage, etc.). Definition of these types and determination of the average rate or rates of growth (in cords or thousand feet, board measure, Minnesota standard log scale rule, ~~which ever~~ whichever is more logically applicable for each of them) ~~shall~~ must be made by the director of the Division of ~~Lands and~~ Forestry, Minnesota Department of Natural Resources, with the advice and assistance of the land commissioner of the county in which the auxiliary forest is located; the director of the United States Forest Service's North Central Forest Experiment Station; and the director of the School of Forestry, University of Minnesota. Before the approval of the application of the owner of an auxiliary forest to have the auxiliary ~~or proposed auxiliary~~ forest taxed under provisions of this ~~subdivision paragraph~~ is submitted to the county board, the distribution between types of the area as shown on the maps and in the tabulations submitted by the owner of the auxiliary ~~or proposed auxiliary~~ forest ~~shall~~ must be examined and their accuracy determined by the director of the Division of ~~Lands and~~ Forestry, Department of Natural Resources, with the assistance of the county board of the county in which the auxiliary forest is located.

During the life of the auxiliary forest, contract timber cutting operations within the various types shown upon the type map accepted as a part of the approved auxiliary forest application ~~shall~~ do not bring about a reclassification of the forest types shown upon that map or those maps until after the passage of ten years following the termination of ~~said~~ the timber cutting operations and then only upon proof of a change in type.

Sec. 52. Minnesota Statutes 2014, section 88.52, subdivision 4, is amended to read:

Subd. 4. **Hearing, procedure.** The owner of any land or timber upon which a yield tax is assessed and levied as provided in this section may, within 15 days after mailing of notice of the amount of the tax, file with the county auditor a demand for hearing ~~thereon on the tax~~ before the county board. The county auditor shall thereupon fix a

date of hearing, which ~~shall~~ must be held within 30 days after the filing of the demand, and mail to the owner notice of the time and place of the hearing. The owner may appear at the meeting and present evidence and argument as to the amount of the tax and as to any related matter ~~relating thereto~~. The county board shall ~~thereupon~~ determine whether the tax as levied is proper in amount and make its order ~~thereon~~. The county auditor shall ~~forthwith~~ mail to the owner a notice of the order. If the amount of the tax is increased or reduced by the order, the county auditor shall make a supplemental assessment and levy ~~thereof~~, as in this subdivision provided.

Sec. 53. Minnesota Statutes 2014, section 88.52, subdivision 5, is amended to read:

Subd. 5. **Yield tax, a prior lien.** Throughout the life of any ~~such~~ auxiliary forest, the ~~yield tax~~ accruing ~~thereon~~ ~~shall constitute and be~~ yield tax constitutes and is a first and prior lien upon all the merchantable timber and forest products growing or grown thereon; and, if not paid when due, this yield tax, together with penalties and interest ~~thereon~~ as otherwise provided by law and all expenses of collecting same, ~~shall continue~~ continues to be a lien upon the timber and forest products ~~and every part and parcel thereof wherever the same may be or~~ however much changed in form or otherwise improved until the yield tax is fully paid. ~~Such~~ The lien may be foreclosed and the property subject ~~thereto~~ to the lien dealt with by action in the name of the state, brought by the county attorney at the request of the county auditor.

Sec. 54. Minnesota Statutes 2014, section 88.52, subdivision 6, is amended to read:

Subd. 6. **Timber held exempt from yield tax.** Timber cut from an auxiliary forest by an owner and used by the owner for fuel, fencing, or building on land occupied by the owner which is within or contiguous to the auxiliary forest where cut ~~shall be~~ is exempt from the yield tax, and, as to timber so cut and used, the requirements of subdivisions 1 and 2 ~~shall do not be applicable and in lieu thereof apply~~. The owner shall, prior to cutting, file with the county auditor, on a form prepared by the commissioner, a statement showing the quantity of each kind of forest products proposed to be cut and the purposes for which the ~~same~~ the products will be used.

Sec. 55. Minnesota Statutes 2014, section 88.523, is amended to read:

88.523 AUXILIARY FOREST CONTRACTS; SUPPLEMENTAL AGREEMENTS.

Upon application of the owner, any auxiliary forest contract ~~heretofore or hereafter executed~~ may be made subject to any provisions of law enacted subsequent to the execution of the contract and in force at the time of application, so far as not already applicable, with the approval of the county board and the commissioner of natural resources. ~~As evidence thereof~~ A supplemental agreement in a form prescribed by the commissioner and approved by the attorney general ~~shall~~ must be executed by the commissioner in behalf of the state and by the owner. ~~Such~~ The supplemental agreement ~~shall~~ must be filed and recorded in like manner as the ~~original~~ supplemental contract under section 88.49, subdivision 9, and ~~shall thereupon take~~ takes effect upon filing and recording.

Sec. 56. Minnesota Statutes 2014, section 88.53, subdivision 1, is amended to read:

Subdivision 1. **Time for disposal.** ~~Any corporation, association, or organization may acquire and hold any amount of land without restriction and without limit as to acreage or quantity for the purpose of including same within and holding same as an auxiliary forest under the provisions of sections 88.47 to 88.53. When the same shall cease land ceases to be an auxiliary forest, the owners shall have five years within which to dispose of the land, any provisions of general law to the contrary notwithstanding.~~

Sec. 57. Minnesota Statutes 2014, section 88.53, subdivision 2, is amended to read:

Subd. 2. **Rules.** The director shall make rules and adopt and prescribe such forms and procedure as ~~shall be~~ is necessary in carrying out the provisions of sections ~~88.47~~ 88.49 to 88.53; and the director and every county board, county recorder, registrar of titles, assessor, tax collector, and every other person in official authority having any

duties to perform under or growing out of sections ~~88.47~~ 88.49 to 88.53 are hereby severally vested with full power and authority to enforce such rules, employ help and assistance, acquire and use equipment and supplies, or do any other act or thing reasonably necessary to the proper performance of duties under or arising from the administration and enforcement of sections ~~88.47~~ 88.49 to 88.53. ~~It shall be the duty of~~ The director ~~to~~ must cause periodic inspections to be made of all auxiliary forests for the purpose of determining whether relative contract and statutory provisions ~~relative thereto~~ are being complied with.

Sec. 58. Minnesota Statutes 2014, section 88.6435, subdivision 4, is amended to read:

Subd. 4. **Forest bough account; disposition of fees.** (a) The forest bough account is established in the state treasury within the natural resources fund.

(b) Fees for permits issued under this section ~~shall~~ must be deposited in the state treasury and credited to the forest bough account and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are annually appropriated to the commissioner of natural resources for costs associated with ~~balsam bough educational~~ special forest product information and education programs for harvesters and buyers.

Sec. 59. Minnesota Statutes 2014, section 90.14, is amended to read:

90.14 AUCTION SALE PROCEDURE.

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of ~~\$5,000~~ \$10,000 of the appraised value. If a required bid guarantee payment is

not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

EFFECTIVE DATE. This section is effective June 1, 2015, and applies to permits sold on or after that date.

Sec. 60. Minnesota Statutes 2014, section 90.193, is amended to read:

90.193 EXTENSION OF TIMBER PERMITS.

The commissioner may, in the case of an exceptional circumstance beyond the control of the timber permit holder which makes it unreasonable, impractical, and not feasible to complete cutting and removal under the permit within the time allowed, grant one regular extension for one year. A written request for the regular extension must be received by the commissioner before the permit expires. The request must state the reason the extension is necessary and be signed by the permit holder. An interest rate of ~~eight~~ five percent may be charged for the period of extension.

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

Sec. 61. **[92.83] CONDEMNATION OF SCHOOL TRUST LAND.**

Subdivision 1. **Purpose.** The purpose of this section is to extinguish the school trust interest in school trust lands where long-term economic return is prohibited by designation or policy while producing economic benefits for Minnesota's public schools. For the purposes of satisfying the Minnesota Constitution, article XI, section 8, which limits the sale of school trust lands to a public sale, the commissioner of natural resources shall acquire school trust lands through condemnation, as provided in subdivision 2.

Subd. 2. **Commencement of condemnation proceedings.** When the commissioner of natural resources has determined sufficient money is available to acquire any of the lands identified under section 84.027, subdivision 18, paragraph (c), the commissioner shall proceed to extinguish the school trust interest by condemnation action. When requested by the commissioner, the attorney general shall commence condemnation of the identified school trust lands.

Subd. 3. **Payment.** The portion of the payment of the award and judgment that is for the value of the land shall be deposited into the permanent school fund. The remainder of the award and judgment payment shall first be remitted for reimbursement to the accounts from which expenses were paid, with any remainder deposited into the permanent school fund.

Subd. 4. **Account.** The school trust lands account is created in the state treasury. Money credited to the account is appropriated to the commissioner of natural resources for the purposes of this section.

Sec. 62. Minnesota Statutes 2014, section 94.10, subdivision 2, is amended to read:

Subd. 2. **Public sale requirements.** (a) After complying with subdivision 1 and before any public sale of surplus state-owned land is made and at least 30 days before the sale, the commissioner of natural resources shall publish a notice of the sale in a newspaper of general distribution in the county in which the real property to be sold is situated. The notice shall specify the time and place at which the sale will commence, a general description of the lots or tracts to be offered, and a general statement of the terms of sale. The commissioner shall also provide electronic notice of sale.

(b) The minimum bid for a parcel of land must include the estimated value or appraised value of the land and any improvements and, if any of the land is valuable for merchantable timber, the value of the merchantable timber. The minimum bid may include expenses incurred by the commissioner in rendering the property salable, including survey, appraisal, legal, advertising, and other expenses.

(c) Except as provided under paragraph (d), parcels remaining unsold after the offering may be sold to anyone agreeing to pay at least 75 percent of the appraised value. The sale shall continue until all parcels are sold or until the commissioner orders a reappraisal or withdraws the remaining parcels from sale.

(d) The commissioner may retain the services of a licensed real estate broker to find a buyer for parcels remaining unsold after the offering. The sale price may be negotiated by the broker, but must not be less than 90 percent of the appraised value as determined by the commissioner. The broker's fee must be established by prior agreement between the commissioner and the broker and must not exceed ten percent of the sale price for sales of \$10,000 or more. The broker's fee must be paid to the broker from the proceeds of the sale.

Sec. 63. Minnesota Statutes 2014, section 94.16, subdivision 2, is amended to read:

Subd. 2. **Payment of expenses.** A portion of the proceeds from the sale equal in amount to the survey, appraisal, legal, advertising, real estate broker fee, and other expenses incurred by the commissioner of natural resources in rendering the property salable and sold shall be remitted to the account from which the expenses were paid, and are appropriated and immediately available for expenditure in the same manner as other money in the account.

Sec. 64. Minnesota Statutes 2014, section 94.16, subdivision 3, is amended to read:

Subd. 3. **Proceeds from natural resources land.** (a) Except as provided in ~~paragraph~~ paragraphs (b) and (c), the remainder of the proceeds from the sale of lands classified as a unit of the outdoor recreation system under section 86A.05 that were under the control and supervision of the commissioner of natural resources shall be credited to the land acquisition account in the natural resources fund.

(b) The remainder of the proceeds from the sale of administrative sites under the control and supervision of the commissioner of natural resources shall be credited to the facilities management account established under section 84.0857 and used to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

(c) The remainder of the proceeds from the sale of land not within a unit of the outdoor recreation system under section 86A.05 and not an administrative site, but under the control and supervision of the commissioner of natural resources, shall be credited to the school trust lands account established under section 92.83.

Sec. 65. Minnesota Statutes 2014, section 97B.668, is amended to read:

97B.668 ~~CANADA GEESE~~ GAME BIRDS CAUSING DAMAGE.

Notwithstanding sections 97B.091 and 97B.805, subdivisions 1 and 2, a person or agent of that person on lands and nonpublic waters owned or operated by the person may nonlethally scare, haze, chase, or harass ~~Canada geese~~ game birds that are causing property damage ~~from March 11 to August 31~~ or to protect a disease risk at any time or place that a hunting season for the game birds is not open. This section does not apply to public waters as defined under section 103G.005, subdivision 15, ~~or~~. This section does not apply to migratory waterfowl on nests and other federally protected game birds on nests, except ducks and geese on nests unless when a permit is obtained under section 97A.401.

Sec. 66. Minnesota Statutes 2014, section 97C.005, subdivision 1, is amended to read:

Subdivision 1. **Definition; designation.** (a) Special management waters are waters that:

(1) have been subject to special regulations that have been evaluated and proven effective under an experimental waters designation under section 97C.001; or

(2) are classified by the commissioner for primary use as trophy lakes, family fishing lakes, designated trout lakes, designated trout streams, special species management lakes, and other designated uses.

(b) Except as provided under subdivision 4, the commissioner may designate any waters of the state, including experimental waters, as special management waters. The commissioner shall by rule establish methods and criteria for public participation in the evaluation and designation of waters as special management waters.

(c) Designation of special management waters under this section is not subject to chapter 14.

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

Sec. 67. Minnesota Statutes 2014, section 97C.005, is amended by adding a subdivision to read:

Subd. 4. **Trout streams; legislative approval.** The commissioner shall not designate a man-made stream as a trout stream. The commissioner shall not designate a stream as a trout stream unless the legislature approves the designation.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to designations made on or after that date.

Sec. 68. Minnesota Statutes 2014, section 97C.301, is amended by adding a subdivision to read:

Subd. 2a. **Aquatic invasive species affirmation.** (a) A nonresident license to take fish issued under section 97A.475, subdivision 7, includes aquatic invasive species affirmation as provided in section 84D.106.

(b) The aquatic invasive species affirmation portion of the license must be displayed with the signed nonresident license to take fish issued under section 97A.475, subdivision 7. The aquatic invasive species affirmation will be provided at the time of purchase of a new or duplicate nonresident license.

(c) If a license is purchased online, the aquatic invasive species affirmation may be completed electronically as part of the online sales process, and the electronic record of the license sale is sufficient for documenting the affirmation.

(d) Failure to complete the aquatic invasive species affirmation in this subdivision is subject to the penalty prescribed in section 84D.13, subdivision 5.

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 69. Minnesota Statutes 2014, section 103B.101, is amended by adding a subdivision to read:

Subd. 16. **Wetland stakeholder coordination.** The board shall work with wetland stakeholders to foster mutual understanding and provide recommendations for improvements to the management of wetlands and related land and water resources, including recommendations for updating the Wetland Conservation Act, developing an in-lieu fee program as defined in section 103G.005, subdivision 10g, and related provisions. The board may convene informal working groups or work teams to provide information and education and to develop recommendations.

Sec. 70. **[103B.103] EASEMENT STEWARDSHIP ACCOUNTS.**

Subdivision 1. **Accounts established; sources.** (a) The water and soil conservation easement stewardship account and the mitigation easement stewardship account are created in the special revenue fund. The accounts consist of money credited to the accounts and interest and other earnings on money in the accounts. The State Board of Investment must manage the accounts to maximize long-term gain.

(b) Revenue from contributions and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the water and soil conservation easement stewardship account. Revenue from contributions, wetland banking fees designated for stewardship purposes by the board, easement stewardship payments authorized under subdivision 3, and money appropriated for any purposes of the account as described in subdivision 2 must be deposited in the mitigation easement stewardship account.

Subd. 2. **Appropriation; purposes of accounts.** Five percent of the balance on July 1 each year in the water and soil conservation easement stewardship account and five percent of the balance on July 1 each year in the mitigation easement stewardship account are annually appropriated to the board and may be spent only to cover the costs of managing easements held by the board, including costs associated with monitoring, landowner contacts, records storage and management, processing landowner notices, requests for approval or amendments, enforcement, and legal services associated with easement management activities.

Subd. 3. **Financial contributions.** The board shall seek a financial contribution to the water and soil conservation easement stewardship account for each conservation easement acquired by the board. The board shall seek a financial contribution or assess an easement stewardship payment to the mitigation easement stewardship account for each wetland banking easement acquired by the board. Unless otherwise provided by law, the board shall determine the amount of the contribution or payment, which must be an amount calculated to earn sufficient money to meet the costs of managing the easement at a level that neither significantly overrecovers nor underrecovers the costs. In determining the amount of the financial contribution, the board shall consider:

(1) the estimated annual staff hours needed to manage the conservation easement, taking into consideration factors such as easement type, size, location, and complexity;

(2) the average hourly wages for the class or classes of state and local employees expected to manage the easement;

(3) the estimated annual travel expenses to manage the easement;

(4) the estimated annual miscellaneous costs to manage the easement, including supplies and equipment, information technology support, and aerial flyovers;

(5) the estimated annualized costs of legal services, including the cost to enforce the easement in the event of a violation; and

(6) the expected rate of return on investments in the account.

EFFECTIVE DATE. Subdivisions 1 and 2 of this section are effective the day following final enactment. Subdivision 3 of this section is effective for conservation easements acquired with money appropriated on or after July 1, 2015, and for acquisitions of conservation easements by gift or as a condition of approval for wetland mitigation as provided in Minnesota Rules, chapter 8420, that are initiated on or after July 1, 2015.

Sec. 71. Minnesota Statutes 2014, section 103B.3355, is amended to read:

103B.3355 WETLAND FUNCTIONS FOR DETERMINING PUBLIC VALUES.

(a) The public values of wetlands must be determined based upon the functions of wetlands for:

(1) water quality, including filtering of pollutants to surface and groundwater, utilization of nutrients that would otherwise pollute public waters, trapping of sediments, shoreline protection, and utilization of the wetland as a recharge area for groundwater;

(2) floodwater and storm water retention, including the potential for flooding in the watershed, the value of property subject to flooding, and the reduction in potential flooding by the wetland;

(3) public recreation and education, including hunting and fishing areas, wildlife viewing areas, and nature areas;

(4) commercial uses, including wild rice and cranberry growing and harvesting and aquaculture;

(5) fish, wildlife, native plant habitats;

(6) low-flow augmentation;

(7) carbon sequestration; and

(8) other public uses.

(b) The Board of Water and Soil Resources, in consultation with the commissioners of natural resources and agriculture and local government units, shall adopt rules establishing:

(1) scientific methodologies for determining the functions of wetlands; and

(2) criteria for determining the resulting public values of wetlands.

(c) The methodologies and criteria established under this section or other methodologies and criteria that include the functions in paragraph (a) and are approved by the board, in consultation with the commissioners of natural resources and agriculture and local government units, must be used to determine the functions and resulting public values of wetlands in the state. The functions listed in paragraph (a) are not listed in order of priority.

(d) Public value criteria established or approved by the board under this section do not apply in areas subject to local comprehensive wetland protection and management plans established under section 103G.2243.

(e) The Board of Water and Soil Resources, in consultation with the commissioners of natural resources and agriculture and local government units, ~~may~~ must identify ~~regions~~ areas of the state where preservation, enhancement, restoration, and establishment of wetlands would have high public value. The board, in consultation with the commissioners, ~~may~~ must identify high priority ~~wetland regions~~ areas for wetland replacement using available information relating to the factors listed in paragraph (a), the historic loss and abundance of wetlands, current applicable state and local government water management and natural resource plans, and studies using a watershed approach to identify current and future watershed needs. The board shall notify local units of government with water planning authority of these high priority ~~regions~~ areas. Designation of high priority areas is exempt from the rulemaking requirements of chapter 14, and section 14.386 does not apply. Designation of high priority areas is not effective until 30 days after publication in the State Register.

(f) Local units of government, as part of a state-approved comprehensive local water management plan as defined in section 103B.3363, subdivision 3, a state-approved comprehensive watershed management plan as defined in section 103B.3363, subdivision 3a, or a state-approved local comprehensive wetland protection and management plan under section 103G.2243, may identify priority areas for wetland replacement and provide them for consideration under paragraph (e).

Sec. 72. Minnesota Statutes 2014, section 103F.612, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) A wetland owner may apply to the county where a wetland is located for designation of a wetland preservation area in a high priority wetland area ~~identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3, and located within a high priority wetland region~~ designated by the

Board of Water and Soil Resources, if the county chooses to accept wetland preservation area applications. The application must be made on forms provided by the board. If a wetland is located in more than one county, the application must be submitted to the county where the majority of the wetland is located.

(b) The application shall be executed and acknowledged in the manner required by law to execute and acknowledge a deed and must contain at least the following information and other information the Board of Water and Soil Resources requires:

(1) legal description of the area to be approved, which must include an upland strip at least 16-1/2 feet in width around the perimeter of wetlands within the area and may include total upland area of up to four acres for each acre of wetland;

(2) parcel identification numbers where designated by the county auditor;

(3) name and address of the owner;

(4) a statement by the owner covenanting that the land will be preserved as a wetland and will only be used in accordance with conditions prescribed by the Board of Water and Soil Resources and providing that the restrictive covenant will be binding on the owner and the owner's successors or assigns, and will run with the land.

(c) The upland strip required in paragraph (b), clause (1), must be planted with permanent vegetation other than a noxious weed.

Sec. 73. Minnesota Statutes 2014, section 103G.005, is amended by adding a subdivision to read:

Subd. 10g. **In-lieu fee program.** "In-lieu fee program" means a program in which wetland replacement requirements of section 103G.222 are satisfied through payment of money to the board or a board-approved sponsor to develop replacement credits according to section 103G.2242, subdivision 12.

Sec. 74. Minnesota Statutes 2014, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by ~~restoring or creating wetland areas of~~ actions that provide at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. For project-specific wetland replacement completed prior to wetland impacts authorized or conducted under a permit to mine within the Great Lakes and Rainy River watershed basins, those basins shall be considered a single watershed for purposes of determining wetland replacement ratios. Mining reclamation plans shall apply the same principles and standards for replacing wetlands ~~by restoration or creation of wetland areas~~ that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that the altered wetland is not converted to a nonagricultural use for at least ten years.

(d) If a wetland is replaced under paragraph (c), or drained under section 103G.2241, subdivision 2, paragraph (b) or (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill storm water management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used ~~in a statewide banking program established in~~ for wetland replacement according to rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for ~~enrollment in a statewide wetlands bank~~ wetland replacement.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public transportation project, and for projects expanded solely for additional traffic capacity, public transportation authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For the purposes of this paragraph, "transportation project" does not include an airport project.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 75. Minnesota Statutes 2014, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Impacted wetlands in a 50 to 80 percent area must be replaced in a 50 to 80 percent area or in a less than 50 percent area. Impacted wetlands in a less than 50 percent area must be replaced in a less than 50 percent area. All wetland replacement must follow this priority order:

- (1) on site or in the same minor watershed as the impacted wetland;
- (2) in the same watershed as the impacted wetland;
- (3) in the same county or wetland bank service area as the impacted wetland; and
- (4) in another wetland bank service area; and

~~(5) statewide for public transportation projects, except that wetlands impacted in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands impacted in the seven county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven county metropolitan area, but at least one to one must be replaced within the seven county metropolitan area.~~

~~(b) The exception in paragraph (a), clause (5), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.~~

(b) Notwithstanding paragraph (a), wetland banking credits approved according to a complete wetland banking application submitted to a local government unit by April 1, 1996, may be used to replace wetland impacts resulting from public transportation projects statewide.

(c) Notwithstanding paragraph (a), clauses (1) and (2), the priority order for replacement by wetland banking begins at paragraph (a), clause (3), according to rules adopted under section 103G.2242, subdivision 1.

~~(d)~~ (d) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

~~(e)~~ (e) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

~~(e) Applicants and local government units shall rely on board approved comprehensive inventories of replacement opportunities and watershed conditions, including the Northeast Minnesota Wetland Mitigation Inventory and Assessment (January 2010), in determining whether reasonable, practicable, and environmentally beneficial replacement opportunities are available.~~

(f) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

(g) The board must establish wetland replacement ratios and wetland bank service area priorities to implement the siting and targeting of wetland replacement and encourage the use of high priority areas for wetland replacement.

Sec. 76. Minnesota Statutes 2014, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. **Rules.** (a) The board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section and public waters work permits affecting public waters wetlands under section 103G.245. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; and may address the state establishment and administration of a wetland banking program for public and private projects, which may include including provisions allowing monetary payment to the wetland banking program for alteration of wetlands on agricultural land for an in-lieu fee program; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs. Any in-lieu fee program established by the board must conform with Code of Federal Regulations, title 33, section 332.8, as amended.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules or a comprehensive wetland protection and management plan approved under section 103G.2243.

(c) If the local government unit fails to apply the rules, or fails to implement a local comprehensive wetland protection and management plan established under section 103G.2243, the government unit is subject to penalty as determined by the board.

Sec. 77. Minnesota Statutes 2014, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources

management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, wetland banking plan, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. The board may develop a professional wetland delineator certification program.

(c) The board must establish an interagency team to assist in identifying and evaluating potential wetland replacement sites. The team must consist of members of the Technical Evaluation Panel and representatives from the Department of Natural Resources; the Pollution Control Agency; the United States Army Corps of Engineers, St. Paul district; and other organizations as determined by the board.

Sec. 78. Minnesota Statutes 2014, section 103G.2242, subdivision 3, is amended to read:

Subd. 3. **Replacement completion.** (a) Replacement of wetland values must be completed prior to or concurrent with the actual draining or filling of a wetland, unless:

(1) an irrevocable bank letter of credit or other security financial assurance acceptable to the local government unit or the board is given to the local government unit or the board to guarantee the successful completion of the replacement; or

(2) the replacement is approved under an in-lieu fee program according to rules adopted under subdivision 1. In the case of an in-lieu fee program established by a board-approved sponsor, the board may require that a financial assurance in an amount and method acceptable to the board be given to the board to ensure the approved sponsor fulfills the sponsor's obligation to complete the required wetland replacement.

~~The board may establish, sponsor, or administer a wetland banking program, which may include provisions allowing monetary payment to the wetland bank for impacts to wetlands on agricultural land, for impacts that occur in greater than 80 percent areas, and for public road projects.~~ (b) The board may acquire land in fee title, purchase or accept easements, enter into agreements, and purchase existing wetland replacement credits to facilitate the wetland banking program. The board may establish in-lieu fee payment amounts and hold money in an account in the special revenue fund, which is appropriated to the board to be used solely for establishing replacement wetlands and administering the wetland banking program.

(c) The board shall coordinate the establishment and operation of a wetland bank with the United States Army Corps of Engineers, the Natural Resources Conservation Service of the United States Department of Agriculture, and the commissioners of natural resources, agriculture, and the Pollution Control Agency.

Sec. 79. Minnesota Statutes 2014, section 103G.2242, subdivision 4, is amended to read:

Subd. 4. **Decision.** Upon receiving and considering all required data, the local government unit reviewing replacement plan applications, ~~banking plan~~ sequencing applications, and exemption or no-loss determination requests must act on all replacement plan applications, ~~banking plan~~ sequencing applications, and exemption or no-loss determination requests in compliance with section 15.99.

Sec. 80. Minnesota Statutes 2014, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, ~~and is completed prior to any draining or filling of the wetland.~~

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit or the board, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; ~~and~~

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved storm water management plan for the local government; and

(5) in a greater than 80 percent area, restoration and protection of streams and riparian buffers that are important to the functions and sustainability of aquatic resources.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs (f) and (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

Sec. 81. Minnesota Statutes 2014, section 103G.2242, subdivision 14, is amended to read:

Subd. 14. **Fees established.** (a) Fees must be assessed for managing wetland bank accounts and transactions as follows:

(1) account maintenance annual fee: one percent of the value of credits not to exceed \$500;

(2) account establishment, deposit, or transfer: 6.5 percent of the value of credits not to exceed \$1,000 per establishment, deposit, or transfer; and

(3) withdrawal fee: 6.5 percent of the value of credits withdrawn.

(b) The board may establish fees at or below the amounts in paragraph (a) for single-user or other dedicated wetland banking accounts.

(c) Fees for single-user or other dedicated wetland banking accounts established pursuant to section 103G.005, subdivision 10e, clause (4), are limited to establishment of a wetland banking account and are assessed at the rate of 6.5 percent of the value of the credits not to exceed \$1,000.

(d) The board may assess a fee to pay the costs associated with establishing conservation easements, or other long-term protection mechanisms prescribed in the rules adopted under subdivision 1, on property used for wetland replacement.

Sec. 82. Minnesota Statutes 2014, section 103G.2251, is amended to read:

103G.2251 STATE CONSERVATION EASEMENTS; WETLAND BANK CREDIT.

In greater than 80 percent areas, preservation of wetlands, riparian buffers, and watershed areas essential to maintaining important functions and sustainability of aquatic resources in the watershed that are protected by a permanent conservation easement as defined under section 84C.01 and held by the board may be eligible for wetland replacement or mitigation credits, according to rules adopted by the board. To be eligible for credit under this section, a conservation easement must be established after May 24, 2008, and approved by the board. Wetland areas on private lands preserved under this section are not eligible for replacement or mitigation credit if the area has been protected using public conservation funds.

Sec. 83. Minnesota Statutes 2014, section 103G.245, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** A public waters work permit is not required for:

(1) work in altered natural watercourses that are part of drainage systems established under chapter 103D or 103E if the work in the waters is undertaken according to chapter 103D or 103E; ~~or~~

(2) a drainage project for a drainage system established under chapter 103E that does not substantially affect public waters; or

(3) culvert restoration or replacement.

Sec. 84. Minnesota Statutes 2014, section 103G.271, subdivision 3, is amended to read:

Subd. 3. **Permit restriction during summer months.** The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a water use permit issued to irrigate agricultural land between May 1 and October 1, or, for agricultural land with a crop, until November 15, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.

Sec. 85. Minnesota Statutes 2014, section 103G.271, subdivision 5, is amended to read:

Subd. 5. **Prohibition on once-through water use permits.** (a) Except as provided in paragraph (c), the commissioner may not issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system.

(b) Except as provided in paragraph (c), once-through system water use permits using in excess of 5,000,000 gallons annually must be terminated by the commissioner, unless the discharge is into a public water basin within a nature preserve approved by the commissioner and established prior to January 1, 2001. The commissioner may issue a permit for a system in existence prior to January 1, 2015, for up to 5,000,000 gallons annually. Existing once-through systems must not be expanded and are required to convert to water efficient alternatives within the design life of existing equipment.

(c) Notwithstanding paragraphs (a) and (b), the commissioner, with the approval of the commissioners of health and the Pollution Control Agency, may issue once-through system water use permits on an annual basis for groundwater thermal exchange devices or aquifer storage and recovery systems that return all once-through system water to the source aquifer. Water use permit processing fees in subdivision 6, paragraph (a), apply to all water withdrawals under this paragraph, including any reuse of water returned to the source aquifer.

Sec. 86. Minnesota Statutes 2014, section 103G.271, subdivision 6a, is amended to read:

Subd. 6a. **Payment of fees for past unpermitted appropriations.** An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. The fees for unpermitted appropriations are required for the previous seven calendar years after being notified of the need for a permit. This fee is in addition to any other fee or penalty assessed. The commissioner may waive payment of fees for past unpermitted appropriations for a residential system permitted under subdivision 5, paragraph (b).

Sec. 87. Minnesota Statutes 2014, section 103G.287, subdivision 1, is amended to read:

Subdivision 1. **Applications for groundwater appropriations; preliminary well construction approval.** (a) Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

~~(4) an inventory of existing wells within 1 1/2 miles of the proposed production well or within the area of influence, as determined by the commissioner. The inventory must include information on well locations, depths, geologic formations, depth of the pump or intake, pumping and nonpumping water levels, and details of well construction;~~

~~(5)~~ (4) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test; and

~~(6)~~ (5) the results of any assessments conducted by the commissioner under paragraph (c).

(b) The commissioner may waive an application requirement in this subdivision if the information provided with the application is adequate to determine whether the proposed appropriation and use of water is sustainable and will protect ecosystems, water quality, and the ability of future generations to meet their own needs.

(c) The commissioner shall provide an assessment of a proposed well needing a groundwater appropriation permit. The commissioner shall evaluate the information submitted as required under section 103I.205, subdivision 1, paragraph (f), and determine whether the anticipated appropriation request is likely to meet the applicable requirements of this chapter. If the appropriation request is likely to meet applicable requirements, the commissioner shall provide the person submitting the information with a letter providing preliminary approval to construct the well.

Sec. 88. Minnesota Statutes 2014, section 103G.287, subdivision 2, is amended to read:

Subd. 2. **Relationship to surface water resources.** Groundwater appropriations that will have substantial negative impacts to surface waters as determined by the commissioner are subject to applicable provisions in section 103G.285. For the purposes of this subdivision, when applicable to streams, "substantial negative impacts" means a 20 percent harmful effect in normal levels.

Sec. 89. **[103G.289] WELL INTERFERENCE; WELL SEALING.**

The commissioner shall not validate a well interference claim if the affected well has been sealed prior to the completion of the commissioner's investigation of the complaint. If the well is sealed prior to completion of the investigation, the commissioner must dismiss the complaint.

Sec. 90. Minnesota Statutes 2014, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. ~~Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).~~

(c) Public water suppliers serving more than 1,000 people must encourage water conservation by employing water use demand reduction measures, as defined in subdivision 4, paragraph (a), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

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

Sec. 91. Minnesota Statutes 2014, section 103G.301, subdivision 5a, is amended to read:

Subd. 5a. **Town fees limited exemption.** Notwithstanding this section or any other law, no permit application, general permit notification, or field inspection fee shall be charged to a town in connection with the construction or alteration of a town road, bridge, or culvert ~~shall exceed \$100.~~

Sec. 92. **[114C.40] VOLUNTARY SELF REPORTING OF VIOLATIONS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meaning given.

(b) "Commissioner" means the commissioner of the Pollution Control Agency.

(c) "Environmental requirement" means a requirement in a law administered by the agency, a rule adopted by the agency, a permit or order issued by the agency, an agreement entered into with the agency, or a court order issued pursuant to any of the foregoing.

(d) "Regulated entity" means a public or private organization that is subject to environmental requirements.

Subd. 2. **Enforcement delay.** The commissioner must defer for at least 90 days enforcement of an environmental requirement against a regulated entity if:

(1) violation of the environmental requirement was first identified by the regulated entity or an employee of or person contracted by the regulated entity;

(2) the regulated entity notified the commissioner of the violation within two business days of it coming to the regulated entity's attention;

(3) the regulated entity has not been subject to an enforcement action within the past two years from the date of the notification under clause (2); and

(4) the regulated entity has committed, in writing, to correct the violation as expeditiously as possible under the circumstances.

Subd. 3. **Penalties waived.** The commissioner must not impose or bring an action for any administrative, civil, or criminal penalties against a regulated entity if, after the 90-day delay provided under subdivision 2, the regulated entity has corrected the violation or has a schedule to correct the violation approved by the commissioner.

Subd. 4. **Exceptions.** Notwithstanding subdivisions 2 and 3, the commissioner may, at any time, bring:

(1) a criminal enforcement action against any person who commits a violation under section 609.671;

(2) a civil or administrative enforcement action, which may include a penalty, under section 115.071 or 116.072, against the regulated entity if:

(i) a violation caused serious harm to, or presents an imminent and substantial endangerment to, human health or the environment;

(ii) a violation is of the specific terms of an administrative order, a judicial order or consent decree, a stipulation agreement, or a schedule of compliance;

(iii) a violation has resulted in a substantial economic benefit which gives the regulated entity a clear advantage over its business competitors; or

(iv) a violation is identified through a legally mandated monitoring or sampling requirement prescribed by statute, regulation, permit, judicial or administrative order, or consent agreement; or

(3) an enforcement action against a regulated entity to enjoin an imminent and substantial danger under section 116.11.

Subd. 5. **Reporting required by law.** Nothing in this section alters the obligation of any regulated entity to report releases, violations, or other matters that are required to be reported by state or federal law, rule, permit, or enforcement action.

Sec. 93. Minnesota Statutes 2014, section 115.03, is amended by adding a subdivision to read:

Subd. 12. **Legislative approval.** (a) The commissioner of the Pollution Control Agency must submit a water quality standard or other water quality rule change developed under this chapter or chapter 116 to the legislature for approval if the standard or rule change is estimated to have a financial impact to:

(1) affected permittees of \$50,000,000 or more, in total, within the first five years of implementation; or

(2) a single affected permittee of \$5,000,000 or more within the first five years of implementation.

(b) The standard or rule change must be approved by the legislature prior to implementation.

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

Sec. 94. **[115.035] INDEPENDENT PEER REVIEW OF WATER QUALITY STUDIES AND STANDARDS; LEGISLATIVE APPROVAL.**

(a) For the purposes of this section:

(1) "independent peer review" means a peer review conducted by an expert in an area related to the work being reviewed who was not directly or indirectly involved with the work conducted or contracted by the agency and who is not currently employed by the agency;

(2) "proposal" means a proposal to change water quality standards or other regulatory guidance, including reinterpretations of water quality standards and other changes that will impact national pollutant discharge elimination system permits or storm water permits; and

(3) "study" means a study, an analysis, or other technical or scientific work that was conducted, contracted, or otherwise relied upon by the agency and that is or will be used to support or otherwise inform a regulatory decision-making process.

(b) The commissioner of the Pollution Control Agency shall ensure that a water quality study or proposal is subject to an independent peer review if the study or proposal:

(1) supports or proposes a change with an estimated financial impact to affected permittees of \$50,000,000 or more, in total, within the first five years of implementation;

(2) supports or proposes a significant new precedent, model, or methodology;

(3) addresses a significant controversial issue;

(4) supports or proposes a change that would significantly impact another state agency; or

(5) has the potential to significantly impact the agency's resources.

(c) The commissioner shall notify the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources when an independent peer review is required under this section and the factors listed in paragraph (b) that require the independent peer review.

(d) The commissioner shall ensure that a study or proposal subject to an independent peer review under this section is peer reviewed in accordance with the guidance contained in the United States Environmental Protection Agency's Peer Review Handbook. As part of the independent peer review process, the commissioner shall allow for public comment, including written and oral public comments, on the study or proposal.

(e) This section applies to proposals and studies developed under the authority and duties prescribed under this chapter and, with respect to the pollution of waters of the state, chapter 116.

Sec. 95. Minnesota Statutes 2014, section 115.073, is amended to read:

115.073 ENFORCEMENT FUNDING.

~~Except as provided in section 115C.05,~~ All money recovered by the state under this chapter and chapters 115A and 116, including civil penalties and money paid under an agreement, stipulation, or settlement, excluding money paid for past due fees or taxes, must be deposited in the state treasury and credited to the ~~environmental~~ general fund.

Sec. 96. Minnesota Statutes 2014, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Subsurface Sewage Treatment Systems established under the subsurface sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

- (1) local ordinances that comply with the subsurface sewage treatment system rules, as required in subdivision 2; or
- (2) in areas without compliant ordinances described in clause (1), the subsurface sewage treatment system rules.

(d) "Building sewer connected to a subsurface sewage treatment system" means the pipe that connects a structure to a subsurface sewage treatment system. Building sewers connected to subsurface sewage treatment systems are codefined as both plumbing and subsurface sewage treatment system components.

~~(d)~~ (e) "City" means a statutory or home rule charter city.

~~(e)~~ (f) "Commissioner" means the commissioner of the Pollution Control Agency.

~~(f)~~ (g) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

~~(g)~~ (h) "Subsurface sewage treatment system" or "system" means a sewage treatment system, or part thereof, that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof, and that does not require a state permit. Subsurface sewage treatment system includes a building sewer connected to a subsurface sewage treatment system.

~~(h)~~ (i) "Subsurface sewage treatment system professional" means an inspector, installer, designer, service provider, or maintainer.

~~(j)~~ (j) "Subsurface sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems.

~~(k)~~ (k) "Inspector" means a person who inspects subsurface sewage treatment systems for compliance with the applicable requirements.

~~(l)~~ (l) "Installer" means a person who constructs or repairs subsurface sewage treatment systems.

~~(m)~~ (m) "Local unit of government" means a township, city, or county.

~~(n)~~ (n) "Performance-based system" means a system that is designed specifically for environmental conditions on a site and is designed to adequately protect the public health and the environment and provide consistent, reliable, long-term performance. At a minimum, a performance based system must ensure that applicable water quality standards are met in both ground and surface water that ultimately receive the treated sewage.

~~(o)~~ (o) "Maintainer" means a person who removes solids and liquids from and maintains and repairs components of subsurface sewage treatment systems including, but not limited to, sewage, aerobic, and holding tanks.

~~(p)~~ (p) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

~~(q)~~ (q) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of a subsurface sewage treatment system.

~~(r)~~ (r) "Designer" means a person who:

- (1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and
- (2) designs subsurface sewage treatment systems.

~~(s)~~ (s) "Straight-pipe system" means a sewage disposal system that transports raw or partially treated sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 97. Minnesota Statutes 2014, section 115.55, subdivision 3, is amended to read:

Subd. 3. **Rules.** (a) The agency shall adopt rules containing minimum standards and criteria for the design, location, installation, use, maintenance, and closure of subsurface sewage treatment systems. The rules must include:

- (1) how the agency will ensure compliance under subdivision 2;
- (2) how local units of government shall enforce ordinances under subdivision 2, including requirements for permits and inspection programs;
- (3) how the advisory committee will participate in review and implementation of the rules;
- (4) provisions for nonstandard systems and performance-based systems;

(5) provisions for handling and disposal of effluent;

(6) provisions for system abandonment; and

(7) procedures for variances, including the consideration of variances based on cost and variances that take into account proximity of a system to other systems.

(b) The agency shall consult with the advisory committee before adopting rules under this subdivision.

(c) The rules required in paragraph (a) must also address the following:

(1) a definition of redoximorphic features and other criteria that can be used by system designers and inspectors;

(2) direction on the interpretation of observed soil features that may be redoximorphic and their relation to zones of periodic saturation; and

(3) procedures on how to resolve professional disagreements on periodically saturated soils.

(d) A state disposal system permit is not required for an existing subsurface sewage treatment facility at a seasonal campground that is open for 180 days or less each year, unless the average maximum seven-day measured flow for the subsurface sewage treatment facility at the campground is greater than 10,000 gallons per day.

Sec. 98. Minnesota Statutes 2014, section 115.56, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) Except as provided in paragraph (b), a person may not design, install, maintain, pump, inspect, or provide service to a subsurface sewage treatment system without a license issued by the commissioner. Licenses issued under this section allow work on subsurface sewage treatment systems that do not require a state permit using prescriptive designs and design guidances provided by the agency. Licensees who design systems using these prescriptive designs and design guidances are not subject to the additional licensing requirements of section 326.03.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who is a certified professional;

(2) an individual who constructs a subsurface sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling, unless specifically disallowed in local ordinance. A person constructing a subsurface sewage treatment system under this clause must comply with all local administrative and technical requirements. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection;

(3) a farmer who pumps and disposes of sewage waste from subsurface sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or

(4) an individual who performs labor or services for a licensed business under this section in connection with the design, installation, operation, pumping, or inspection of a subsurface sewage treatment system at the direction and under the personal supervision of a person certified under this section.

(c) The commissioner, in conjunction with the University of Minnesota Extension Service or another higher education institution, shall ensure adequate training and design guidance exists for subsurface sewage treatment system certified professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for certification and shall issue documentation of certification.

(e) Licenses may be issued only upon submission of general liability insurance, a corporate surety bond in the amount of at least ~~\$10,000~~ \$25,000, and the name of the individual who will be the designated certified individual for that business. The bond may be for both plumbing work and subsurface sewage treatment work if the bond complies with the requirements of this section and satisfies the requirements and references identified in section 326B.46, subdivision 2.

(f) Local units of government may not require additional local licenses for subsurface sewage treatment system businesses.

(g) No other professional license under section 326.03 is required to design, install, maintain, inspect, or provide service for a subsurface sewage treatment system that does not require a state permit using prescriptive designs and design guidances provided by the agency if the system designer, installer, maintainer, inspector, or service provider is licensed under this subdivision and the local unit of government has not adopted additional requirements.

Sec. 99. Minnesota Statutes 2014, section 115A.03, subdivision 25a, is amended to read:

Subd. 25a. **Recyclable materials.** "Recyclable materials" means materials that are separated from mixed municipal solid waste for the purpose of recycling or composting, including paper, glass, plastics, metals, automobile oil, batteries, ~~and~~ source-separated compostable materials, and sole source food waste streams that are managed through biodegradative processes. Refuse-derived fuel or other material that is destroyed by incineration is not a recyclable material.

Sec. 100. Minnesota Statutes 2014, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. **County recycling goals.** (a) By December 31, 2030, each county will have as a goal to recycle the following amounts:

- (1) for a county outside of the metropolitan area, 35 percent by weight of total solid waste generation; and
- (2) for a metropolitan county, 75 percent by weight of total solid waste generation.

(b) Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.

(c) Any quantified recyclable materials that meet the definition in subdivision 1, paragraph (a), or section 115A.03, subdivision 25a, are eligible to be counted toward a county's recycling goal under this subdivision.

Sec. 101. Minnesota Statutes 2014, section 115A.557, subdivision 2, is amended to read:

Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money distributed by the commissioner under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;

- (4) remove problem materials from the solid waste stream and develop proper disposal options for them;
- (5) inform and educate all sectors of the public about proper solid waste management procedures;
- (6) provide technical assistance to public and private entities to ensure proper solid waste management;
- (7) provide educational, technical, and financial assistance for litter prevention;
- (8) process mixed municipal solid waste generated in the county at a resource recovery facility located in Minnesota; ~~and~~
- (9) compost source-separated compostable materials, including the provision of receptacles for residential composting-;
- (10) prevent food waste or collect and transport food donated to humans or to be fed to animals; and
- (11) process source-separated compostable materials that are to be used to produce Class I or Class II compost, as defined in Minnesota Rules, part 7035.2836, after being processed in an anaerobic digester, but not to construct any buildings or acquire any equipment.

(b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed by the commissioner under this section to a metropolitan county, as defined in section 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in paragraph (a), ~~clause clauses~~ (9) to (11); and (2) the remainder must be expended on activities in paragraph (a), clauses (1) to (7) and (9) to (11) that advance the county toward achieving its recycling goal under section 115A.551.

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

Sec. 102. **[115A.565] RECYCLING COMPETITIVE GRANT PROGRAM.**

Subdivision 1. Grant program established. The commissioner shall make competitive grants to political subdivisions to establish curbside recycling or composting, increase recycling or composting, reduce the amount of recyclable materials entering disposal facilities, or reduce the costs associated with hauling waste by locating collection sites as close as possible to the site where the waste is generated. To be eligible for grants under this section, a political subdivision must be located outside the seven-county metropolitan area and a city must have a population of less than 45,000.

Subd. 2. Application. (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section.

(b) The determination of whether to make a grant under this section is within the discretion of the commissioner, subject to subdivision 4. The commissioner's decisions are not subject to judicial review, except for abuse of discretion.

Subd. 3. Priorities; eligible projects. (a) If applications for grants exceed the available appropriations, grants must be made for projects that, in the commissioner's judgment, provide the highest return in public benefits.

(b) To be eligible to receive a grant, a project must:

(1) be locally administered;

(2) have an educational component and measurable outcomes;

(3) request \$250,000 or less;

(4) demonstrate local direct and indirect matching support of at least a quarter amount of the grant request; and

(5) include at least one of the following elements:

(i) transition to residential recycling through curbside or centrally located collection sites;

(ii) development of local recycling systems to support curbside recycling; or

(iii) development or expansion of local recycling systems to support recycling bulk materials, including, but not limited to, electronic waste.

Subd. 4. **Cancellation of grant.** If a grant is awarded under this section and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Sec. 103. Minnesota Statutes 2014, section 115A.93, subdivision 1, is amended to read:

Subdivision 1. **License and registration required; reporting.** (a) A person may not collect mixed municipal solid waste for hire without a license from the jurisdiction where the mixed municipal solid waste is collected. The local licensing entity shall submit a list of licensed collectors to the agency.

(b) A person may not collect recyclable materials for hire unless registered with the agency. If a person is licensed under paragraph (a), the person need not register with the agency under this paragraph.

(c) The agency, in consultation with the Solid Waste Management Coordinating Board, the Association of Minnesota Counties, the Minnesota Solid Waste Administrators Association, and representatives from the waste industry shall, by July 1, 2016, develop uniform short and long reporting forms that will reduce duplicative reporting to governmental units by collectors of solid waste and recyclable materials.

(d) A collector of mixed municipal solid waste or recyclable materials shall separately report to the agency on an annual basis information including, but not limited to, the quantity of mixed municipal solid waste and the quantity of recyclable materials collected:

(1) from commercial customers;

(2) from residential customers;

(3) by county of origin; and

(4) by destination of the material.

Sec. 104. Minnesota Statutes 2014, section 115B.34, subdivision 2, is amended to read:

Subd. 2. **Property damage losses.** (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the Department of Health has confirmed that the remedy provides safe drinking water and advised that the water not be used for drinking or determined that the replacement or decontamination of the source of drinking water was necessary, up to a maximum of \$25,000;

(2) the reasonable cost to install a mitigation system for the claimant's principal residence, not to exceed the amount actually expended by the claimant, if the agency has recommended such installation to protect human health due to soil vapor intrusion into the residence from releases of harmful substances. Reimbursement of eligible claims shall not exceed \$25,000;

~~(2)~~ (3) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

~~(3)~~ (4) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000.

(b) In computation of the loss under paragraph (a), clause ~~(3)~~ (4), the agency shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(c) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(d) Appraisals are subject to agency approval. The agency may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 105. Minnesota Statutes 2014, section 115C.05, is amended to read:

115C.05 CIVIL PENALTY.

The agency may enforce section 115C.03 using the actions and remedies authorized under sections 115.071, subdivision 3, and 116.072. ~~The civil penalties recovered by the state must be credited to the fund.~~

Sec. 106. Minnesota Statutes 2014, section 116.02, is amended to read:

116.02 POLLUTION CONTROL AGENCY, CREATION AND POWERS.

Subdivision 1. **Creation.** A pollution control agency, designated as the Minnesota Pollution Control Agency, is and the Minnesota Pollution Control Agency Citizens' Board are hereby created. ~~The agency Minnesota Pollution Control Agency Citizens' Board~~ shall consist of the commissioner and eight members appointed by the governor, by and with the advice and consent of the senate. ~~One of such members shall be a person knowledgeable in the field of agriculture and one shall be representative of organized labor.~~

Subd. 2. **Terms, compensation, removal, vacancies.** The membership terms, compensation, removal of members, and filling of vacancies on the ~~agency~~ Minnesota Pollution Control Agency Citizens' Board shall be as provided in section 15.0575.

Subd. 3. **Membership.** The membership of the Minnesota Pollution Control Agency Citizens' Board shall be broadly representative of the skills and experience necessary to effectuate the policy of sections 116.01 to 116.075, except that no member other than the commissioner shall be an officer or employee of the state or federal government. Only two members at one time may be officials or employees of a municipality or any governmental subdivision, but neither may be a member ex officio or otherwise on the management board of a municipal sanitary sewage disposal system. One of the members shall have expertise in agriculture, one of the members shall have expertise in forestry, one of the members shall have expertise in mining, and one of the members shall be a representative of organized labor. No more than one-half of the Minnesota Pollution Control Agency Citizens' Board membership may reside in the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 4. **Chair.** The commissioner shall serve as chair of the ~~agency~~ Minnesota Pollution Control Agency Citizens' Board. The ~~agency~~ Minnesota Pollution Control Agency Citizens' Board shall elect ~~such~~ other officers as it deems necessary.

Subd. 5. **Agency is successor to commission.** The Pollution Control Agency is the successor of the Water Pollution Control Commission, and all powers and duties now vested in or imposed upon said commission by chapter 115, or any act amendatory thereof or supplementary thereto, are hereby transferred to, imposed upon, and vested in the Minnesota Pollution Control Agency, except as to those matters pending before the commission in which hearings have been held and evidence has been adduced. The Water Pollution Commission shall complete its action in such pending matters not later than six months from May 26, 1967. The Water Pollution Control Commission, as heretofore constituted, is hereby abolished, (a) effective upon completion of its action in the pending cases, as hereinbefore provided for; or (b) six months from May 26, 1967, whichever is the earlier.

Subd. 6. ~~Required decisions~~ **Duties of the board.** The ~~agency~~ Minnesota Pollution Control Agency Citizens' Board shall ~~make final decisions on the following matters:~~

~~(1) a petition for the preparation of an environmental assessment worksheet, if the project proposer or a person commenting on the proposal requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8;~~

~~(2) the need for an environmental impact statement following preparation of an environmental assessment worksheet under applicable rules, if:~~

~~(i) the agency has received a request for an environmental impact statement;~~

~~(ii) the project proposer or a person commenting on the proposal requests that the declaration be made by the agency and the agency requests that it make the decision under subdivision 8; or~~

~~(iii) the commissioner is recommending preparation of an environmental impact statement;~~

~~(3) the scope and adequacy of environmental impact statements;~~

~~(4) issuance, reissuance, modification, or revocation of a permit if:~~

~~(i) a variance is sought in the permit application or a contested case hearing request is pending; or~~

~~(ii) the permit applicant, the permittee, or a person commenting on the permit action requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8;~~

~~(5) (1) make final decisions on~~ adoption or amendment of agency rules for which a public hearing is required under section 14.25 or for which the commissioner decides to proceed directly to a public hearing under section 14.14, subdivision 1;

~~(6) approval or denial of an application for a variance from an agency rule if:~~

~~(i) granting the variance request would change an air, soil, or water quality standard;~~

~~(ii) the commissioner has determined that granting the variance would have a significant environmental impact; or~~

~~(iii) the applicant or a person commenting on the variance request requests that the decision be made by the agency and the agency requests that it make the decision under subdivision 8 (2) provide advice to the commissioner upon request of the commissioner; and~~

~~(7) whether to reopen, rescind, or reverse a decision of the agency (3) conduct public meetings and prepare comments as provided under subdivision 11.~~

~~Subd. 7. **Additional decisions.** The commissioner may request that the agency make additional decisions or provide advice to the commissioner.~~

~~Subd. 8. **Other actions.** Any other action not specifically within the authority of the commissioner shall be made by the agency if:~~

~~(1) prior to the commissioner's final decision on the action, one or more members of the agency notify the commissioner of their request that the decision be made by the agency; or~~

~~(2) any person submits a petition to the commissioner requesting that the decision be made by the agency and the commissioner grants the petition.~~

~~If the commissioner denies a petition submitted under clause (2), the commissioner shall advise the agency and the petitioner of the reasons for the denial.~~

~~Subd. 9. **Informing public.** The commissioner shall inform interested persons as appropriate in public notices and other public documents of their right to request the agency Minnesota Pollution Control Agency Citizens' Board to make decisions in hold public information hearings on specific matters as provided in subdivision 6 and the right of agency members to request that decisions be made by the agency as provided in subdivision 8 11. The commissioner shall also regularly inform the agency Minnesota Pollution Control Agency Citizens' Board of activities that have broad policy implications or potential environmental significance and of activities in which the public has exhibited substantial interest.~~

~~Subd. 10. **Changing decisions.** (a) The agency must not reopen, rescind, or reverse a decision of the agency except upon:~~

~~(1) the affirmative vote of two thirds of the agency; or~~

~~(2) a finding that there was an irregularity in a hearing related to the decision, an error of law, or a newly discovered material issue of fact.~~

~~(b) The requirements in paragraph (a) are minimum requirements and do not limit the agency's authority under sections 14.06 and 116.07, subdivision 3, to adopt rules.~~

~~(1) applying the requirement in paragraph (a), clause (1) or (2), to certain decisions of the agency; or~~

~~(2) establishing additional or more stringent requirements for reopening, rescinding, or reversing decisions of the agency.~~

Subd. 11. **Petition for public hearing.** (a) A person may request that the Minnesota Pollution Control Agency Citizens' Board hold a public hearing by filing a petition that contains the signatures and mailing addresses of at least 25 individuals who reside or own property in the state on the following agency matters:

(1) a petition for the preparation of an environmental assessment worksheet;

(2) the need for an environmental impact statement following completion of an environmental assessment worksheet;

(3) the scope and adequacy of an environmental impact statement;

(4) issuance, reissuance, modification, or revocation of a permit if a variance is sought in the permit application or a contested case hearing request is pending; and

(5) approval or denial of an application for a variance from an agency rule if:

(i) granting the variance request would change an air, soil, or water quality standard; or

(ii) the commissioner has determined that granting the variance would have a significant environmental impact.

(b) A petition filed under this subdivision must be submitted to the Minnesota Pollution Control Agency Citizens' Board within 30 days of the agency providing public notice of the matter.

(c) The Minnesota Pollution Control Agency Citizens' Board shall hold a public hearing within 30 days of receiving a petition under this subdivision. The board may address more than one petition at a public hearing. The commissioner shall prepare a notice of the public hearing and publish the notice in a newspaper of general circulation in the geographical area or areas affected and notify local governments and other interested parties as determined by the commissioner. Following the hearing, the board shall compile and submit comments received during the hearing to the commissioner for review.

Sec. 107. Minnesota Statutes 2014, section 116.03, subdivision 1, is amended to read:

Subdivision 1. **Office.** (a) The Office of Commissioner of the Pollution Control Agency is created and is under the supervision and control of the commissioner, who is appointed by the governor under the provisions of section 15.06.

(b) The commissioner may appoint a deputy commissioner and assistant commissioners who shall be in the unclassified service.

(c) The commissioner shall make all decisions on behalf of the agency ~~that are not required to be made by the agency~~ except for rulemaking decisions made by the Minnesota Pollution Control Agency Citizens' Board under section 116.02.

Sec. 108. Minnesota Statutes 2014, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. **Permit fees.** (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of developing, reviewing, and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The fee schedule must reflect reasonable and routine direct and indirect costs associated with permitting, implementation, and enforcement. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the environmental fund.

(b) Notwithstanding paragraph (a), the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to ~~the requirement to obtain a permit a notification, permit, or license requirement under subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., or section 116.081 or rules adopted thereunder.~~ The annual fee shall be used to pay for all direct and indirect reasonable costs, including ~~attorney general legal~~ costs, required to develop and administer the notification, permit, or license program requirements of ~~subchapter this chapter, subchapters I and V of the federal Clean Air Act, United States Code, title 42, section 7401 et seq., and sections of this chapter and the or rules adopted under this chapter related to air contamination and noise thereunder.~~ Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; and providing information to the public about these activities.

(c) The agency shall set fees that:

(1) will result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated;

(2) may result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than \$25 per ton of each pollutant not listed in clause (1) that is regulated under this chapter or air quality rules adopted under this chapter; and

(3) shall collect, in the aggregate, from the sources listed in paragraph (b), the amount needed to match grant funds received by the state under United States Code, title 42, section 7405 (section 105 of the federal Clean Air Act).

The agency must not include in the calculation of the aggregate amount to be collected under clauses (1) and (2) any amount in excess of 4,000 tons per year of each air pollutant from a source. The increase in air permit fees to match federal grant funds shall be a surcharge on existing fees. The commissioner may not collect the surcharge after the grant funds become unavailable. In addition, the commissioner shall use nonfee funds to the extent practical to match the grant funds so that the fee surcharge is minimized.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the

United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Permit applicants who wish to construct, reconstruct, or modify a facility may offer to reimburse the agency for the costs of staff time or consultant services needed to expedite the permit development process, including the analysis of environmental review documents. The reimbursement shall be in addition to permit application fees imposed by law. When the agency determines that it needs additional resources to develop the permit application in an expedited manner, and that expediting the development is consistent with permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of developing the permit or analyzing environmental review documents. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit; shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations; and shall not affect final decisions regarding environmental review.

(g) The fees under this subdivision are exempt from section 16A.1285.

Sec. 109. Minnesota Statutes 2014, section 116.07, subdivision 4j, is amended to read:

Subd. 4j. **Permits; solid waste facilities.** (a) The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county using or projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or 473.803 and amended as required by section 115A.96, subdivision 6. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the Pollution Control Agency. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

(b) The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

(c) Within 180 days of receipt of a completed application, the agency shall approve, disapprove, or delay decision on the application, with reasons for the delay, in writing.

(d) The agency may not issue a permit for a new disposal facility, as defined in section 115A.03, subdivision 10, or a permit to expand an existing disposal facility unless:

(1) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have granted approval for the new or expanded facility prior to the issuance of the permit;

(2) all local units of government in which the facility is to be sited and exercising their respective land use and zoning authority pursuant to chapter 366, 494, or 462 have authorized the permit to be issued prior to or concurrent with the required approval by the local unit of government; or

(3) the new or expanded facility is part of and will be sited on land already identified in an approved solid waste management plan as described in paragraph (a).

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

Sec. 110. Minnesota Statutes 2014, section 116.07, subdivision 7, is amended to read:

Subd. 7. **Counties; processing of applications for animal lot permits.** Any Minnesota county board may, by resolution, with approval of the Pollution Control Agency, assume responsibility for processing applications for permits required by the Pollution Control Agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

(1) the distribution to applicants of forms provided by the Pollution Control Agency;

(2) the receipt and examination of completed application forms, and the certification, in writing, to the Pollution Control Agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

(3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board, issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the Pollution Control Agency. The Pollution Control Agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14. For permit applications filed after October 1, 2001, section 15.99 applies to feedlot permits issued by the agency or a county pursuant to this subdivision.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The Pollution Control Agency shall work with the Minnesota Extension Service, the Department of Agriculture, the Board of Water and Soil Resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Natural Resources Conservation Service and the Farm Service Agency, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The Pollution Control Agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. Pastures are exempt from the rules authorized under this paragraph. A feedlot permit is not required for livestock feedlots with more than ten but less than 50

animal units; provided they are not in shoreland areas. A livestock feedlot permit does not become required solely because of a change in the ownership of the buildings, grounds, or feedlot. These rules apply both to permits issued by counties and to permits issued by the Pollution Control Agency directly.

(h) The Pollution Control Agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

(i) Any new rules or amendments to existing rules proposed under the authority granted in this subdivision, or to implement new fees on animal feedlots, must be submitted to the members of legislative policy and finance committees with jurisdiction over agriculture and the environment prior to final adoption. The rules must not become effective until 90 days after the proposed rules are submitted to the members.

(j) Until new rules are adopted that provide for plans for manure storage structures, any plans for a liquid manure storage structure must be prepared or approved by a registered professional engineer or a United States Department of Agriculture, Natural Resources Conservation Service employee.

(k) A county may adopt by ordinance standards for animal feedlots that are more stringent than standards in Pollution Control Agency rules.

(l) After January 1, 2001, a county that has not accepted delegation of the feedlot permit program must hold a public meeting prior to the agency issuing a feedlot permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held with regard to the feedlot facility to be permitted.

(m) After the proposed rules published in the State Register, volume 24, number 25, are finally adopted, the agency may not impose additional conditions as a part of a feedlot permit, unless specifically required by law or agreed to by the feedlot operator.

(n) For the purposes of feedlot permitting, a discharge from land-applied manure or a manure stockpile that is managed according to agency rule must not be subject to a fine for a discharge violation.

(o) For the purposes of feedlot permitting, manure that is land applied, or a manure stockpile that is managed according to agency rule, must not be considered a discharge into waters of the state, unless the discharge is to waters of the state, as defined by section 103G.005, subdivision 17, except type 1 or type 2 wetlands, as defined in section 103G.005, subdivision 17b, and does not meet discharge standards established for feedlots under agency rule.

(p) Unless the upgrade is needed to correct an immediate public health threat under section 145A.04, subdivision 8, or the facility is determined to be a concentrated animal feeding operation under Code of Federal Regulations, title 40, section 122.23, in effect on April 15, 2003, the agency may not require a feedlot operator:

(1) to spend more than \$3,000 to upgrade an existing feedlot with less than 300 animal units unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade; or

(2) to spend more than \$10,000 to upgrade an existing feedlot with between 300 and 500 animal units, unless cost-share money is available to the feedlot operator for 75 percent of the cost of the upgrade or \$50,000, whichever is less.

(q) For the purposes of this section, "pastures" means areas, including winter feeding areas as part of a grazing area, where grass or other growing plants are used for grazing and where the concentration of animals allows a vegetative cover to be maintained during the growing season except that vegetative cover is not required:

(1) in the immediate vicinity of supplemental feeding or watering devices;

(2) in associated corrals and chutes where livestock are gathered for the purpose of sorting, veterinary services, loading and unloading trucks and trailers, and other necessary activities related to good animal husbandry practices; and

(3) in associated livestock access lanes used to convey livestock to and from areas of the pasture.

(r) A feedlot operator who stores and applies up to 100,000 gallons per calendar year of private truck wash wastewater resulting from trucks that transport animals or supplies to and from the feedlot does not require a permit to land-apply industrial by-products if the feedlot operator stores and applies the wastewater in accordance with Pollution Control Agency requirements for land applications of industrial by-product that do not require a permit.

(s) A feedlot operator who holds a permit from the Pollution Control Agency to land-apply industrial by-products from a private truck wash is not required to have a certified land applicator apply the private truck wash wastewater if the wastewater is applied by the feedlot operator to cropland owned or leased by the feedlot operator or by a commercial animal waste technician licensed by the commissioner of agriculture under chapter 18C.

For purposes of this paragraph and paragraph (r), "private truck wash" means a truck washing facility owned or leased, operated, and used only by a feedlot operator to wash trucks owned or leased by the feedlot operator and used to transport animals or supplies to and from the feedlot.

Sec. 111. Minnesota Statutes 2014, section 116.07, is amended by adding a subdivision to read:

Subd. 13. Limitation regarding certain policies, guidelines, and other nonbinding interpretive statements. The commissioner shall not seek to implement or enforce against any entity or permittee a policy, guideline, or other nonbinding interpretive statement that meets the definition of a rule under chapter 14 if the policy, guideline, or other nonbinding interpretive statement has not been adopted as a rule in accordance with chapter 14.

Sec. 112. Minnesota Statutes 2014, section 116D.04, is amended by adding a subdivision to read:

Subd. 17. Discretionary review notification. The commissioners of natural resources and the Pollution Control Agency, when ordering the preparation of a discretionary environmental impact statement or discretionary environmental assessment worksheet for a proposed action, must notify the proposer of the action by certified mail at least 90 days prior to making the order public.

Sec. 113. Minnesota Statutes 2014, section 144.12, is amended by adding a subdivision to read:

Subd. 4. Camper cabins and bunk houses. Camper cabins and bunk houses are exempt from floor space, air space, or bed spacing requirements applicable to lodging establishments adopted by the commissioner. For the purposes of this section:

(1) "bunk house" means a building, structure, or enclosure intended to sleep more than one person for up to three nights that does not include a kitchen or bathroom; and

(2) "camper cabin" means a permanent rustic enclosure with walls and a floor that does not include a kitchen or bath; is located in a state park administered by the commissioner of natural resources, at a resort as defined under section 157.15, subdivision 11, or at a recreational camping area as defined under section 327.14, subdivision 8; and is intended to be a place where sleeping accommodations are furnished to the public.

Sec. 114. Minnesota Statutes 2014, section 171.07, is amended by adding a subdivision to read:

Subd. 18. All-terrain vehicle safety certificate. (a) The department shall maintain in its records information transmitted electronically from the commissioner of natural resources identifying each person to whom the commissioner has issued an all-terrain vehicle safety certificate. The records transmitted from the Department of Natural Resources must contain the full name and date of birth as required for the driver's license or identification card. Records that are not matched to a driver's license or identification card record may be deleted after seven years.

(b) After receiving information under paragraph (a) that a person has received an all-terrain vehicle safety certificate, the department shall include, on all drivers' licenses or Minnesota identification cards subsequently issued to the person, a graphic or written indication that the person has received the certificate.

(c) If a person who has received an all-terrain vehicle safety certificate applies for a driver's license or Minnesota identification card before that information has been transmitted to the department, the department may accept a copy of the certificate as proof of its issuance and shall then follow the procedures in paragraph (b).

EFFECTIVE DATE. This section is effective January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 115. Minnesota Statutes 2014, section 282.011, subdivision 3, is amended to read:

Subd. 3. **Title examination.** The commissioner of revenue shall, if requested by the purchaser or the county attorney of the county where all or a portion of the land is situated, deliver the deed to the county attorney for use under Minnesota Statutes 2014, section 88.48, subdivision 5, but such delivery shall not be considered delivery to the purchaser. The county attorney shall be instructed when taking the transferral of the deed that said deed shall not be delivered to the purchaser unless the land involved is accepted as and placed into an auxiliary forest.

Sec. 116. **[325E.382] CERTAIN PRODUCTS CONTAINING MICROBEADS PROHIBITED.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Over-the-counter drug" means a drug that is a personal care product that contains a label that identifies the product as a drug as required by Code of Federal Regulations, title 21, section 201.66. An "over-the-counter drug" label includes:

(1) a drug facts panel; or

(2) a statement of the active ingredients with a list of those ingredients contained in the compound, substance, or preparation.

(c) "Personal care product" means any article intended to be rubbed, poured, sprinkled, or sprayed on, introduced into, or otherwise applied to the human body or any part thereof for cleansing, beautifying, promoting attractiveness, or altering the appearance, and any article intended for use as a component of any such article. "Personal care product" does not include prescription drugs.

(d) "Plastic" means a synthetic material made from linking monomers through a chemical reaction to create an organic polymer chain that can be molded or extruded at high heat into various solid forms retaining their defined shapes during life cycle and after disposal.

(e) "Synthetic plastic microbead" means any intentionally added nonbiodegradable solid plastic particle measured less than five millimeters in size and used to exfoliate or cleanse in a rinse-off product.

Subd. 2. **Prohibitions.** (a) Effective December 31, 2017, no person shall manufacture for sale a personal care product, except for an over-the-counter drug, that contains synthetic plastic microbeads.

(b) Effective December 31, 2018, no person shall accept for sale a personal care product, except for an over-the-counter drug, that contains synthetic plastic microbeads.

(c) Effective December 31, 2018, no person shall manufacture for sale an over-the-counter drug that contains synthetic plastic microbeads.

(d) Effective December 31, 2019, no person shall accept for sale an over-the-counter drug that contains synthetic plastic microbeads.

Subd. 3. **Preemption.** This section preempts any ordinance or resolution of a municipality, county, or any other local government entity concerning synthetic plastic microbeads.

Sec. 117. Minnesota Statutes 2014, section 446A.073, subdivision 1, is amended to read:

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority shall award grants up to a maximum of \$3,000,000 to governmental units to cover up to one-half the cost of ~~wastewater treatment or storm~~ water infrastructure projects made necessary by:

(1) a wasteload reduction prescribed under a total maximum daily load plan required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d);

(2) a phosphorus concentration or mass limit which requires discharging one milligram per liter or less at permitted design flow which is incorporated into a permit issued by the Pollution Control Agency;

(3) any other water quality-based effluent limit established under section 115.03, subdivision 1, paragraph (e), clause (8), and incorporated into a permit issued by the Pollution Control Agency that exceeds secondary treatment limits; or

(4) a total nitrogen limit of ten milligrams per liter or less for a land-based treatment system.

Sec. 118. Minnesota Statutes 2014, section 446A.073, subdivision 3, is amended to read:

Subd. 3. **Project priorities.** When money is appropriated for grants under this program, the authority shall accept applications during the month of July and reserve money for projects expected to proceed with construction by the end of the fiscal year in the order listed on the Pollution Control Agency's project priority list and in an amount based on the cost estimate submitted to the authority in the grant application or the as-bid costs, whichever is less. Notwithstanding Minnesota Rules, chapter 7077, the Pollution Control Agency may rank a drinking water infrastructure project on the agency's project priority list if the project is necessary to meet an applicable requirement in subdivision 1.

Sec. 119. Minnesota Statutes 2014, section 446A.073, subdivision 4, is amended to read:

Subd. 4. **Grant approval.** The authority must make a grant for an eligible project only after:

(1) the applicant has submitted the as-bid cost for the ~~wastewater treatment or storm~~ water infrastructure project;

(2) the Pollution Control Agency has approved the as-bid costs and certified the grant eligible portion of the project; and

(3) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Sec. 120. Minnesota Statutes 2014, section 473.1565, is amended to read:

473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEE COMMITTEES.

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the ~~commissioner of natural resources~~ policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committee ~~Committees~~ established in ~~subdivision 2~~ this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee; ~~and~~

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; and

(9) a member of the Board of Water Commissioners of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Board of Water Commissioners, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. ~~The advisory committee expires December 31, 2016.~~

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

Subd. 2a. Technical advisory committee. A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 11 members appointed by the policy advisory committee as follows:

(1) six members to represent operators of single-city and multicity public water supply systems in the metropolitan area;

(2) a hydrologist with expertise in groundwater analysis and modeling;

(3) a hydrologist with expertise in surface water analysis and modeling;

(4) an engineer with expertise in the design and construction of water supply systems;

(5) a person with expertise in population and demographic forecasting and modeling; and

(6) a person with expertise in water demand forecasting.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

Subd. 3. Reports to legislature. (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 121. **SURPLUS STATE LAND SALES.**

The school trust lands director shall identify at least \$5,000,000 in state-owned lands suitable for sale and notify the commissioner of natural resources of the identified lands. The lands identified shall not be within a unit of the outdoor recreation system under Minnesota Statutes, section 86A.05, an administrative site, or trust land. The commissioner shall sell at least \$3,000,000 worth of lands identified by the school trust lands director by June 30, 2017. Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or any other law to the contrary, the amount of the proceeds from the sale of lands that exceeds the actual expenses of selling the lands must be deposited in the school trust lands account and used to extinguish the school trust interest as provided under Minnesota Statutes, section 92.83, on school trust lands that have public water access sites or old growth forests located on them.

Sec. 122. **REQUIRED RULEMAKING; SUBSURFACE SEWAGE TREATMENT SYSTEMS.**

The commissioner of the Pollution Control Agency shall adopt rules, using the expedited rulemaking process in Minnesota Statutes, section 14.389, that set forth procedures to conform with the changes to Minnesota Statutes, chapter 115, under this act and to streamline the subsurface sewage treatment system (SSTS) license application and renewal process in a manner that:

(1) surety bond and insurance requirements of licensed SSTS businesses meet the requirements of Minnesota Statutes, chapter 115 and section 326B.46, subdivision 2; and

(2) properly trained SSTS installers may complete work on a building sewer with respect to the Plumbing Code and plumbing program and SSTS designers and inspectors may complete work on a building sewer connected to an SSTS with respect to the Plumbing Code and plumbing program.

Sec. 123. **WETLAND CONSERVATION ACT REPORT.**

By March 15, 2016, the Board of Water and Soil Resources, in cooperation with the Department of Natural Resources, shall report to the committees with jurisdiction over environment and natural resources on the proposals to implement high priority areas for wetland replacement and in-lieu fees for replacement and modify wetland replacement siting and actions eligible for credit. In developing the report, the board and department shall consult with stakeholders and agencies.

Sec. 124. **ALL-TERRAIN VEHICLE REGISTRATION TRANSITION.**

(a) A person must have an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration and may continue to display the unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the electronic licensing system has been upgraded to conform with the amendments to Minnesota Statutes, section 84.92, under this act.

(b) When the electronic licensing system has been upgraded, a person who possesses an unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration may continue to display that unexpired class 1 or class 2 all-terrain vehicle or off-road vehicle registration until the class 1 or class 2 all-terrain vehicle or off-road vehicle registration is renewed, transferred, or replacement registration is applied for.

Sec. 125. ANALYSIS OF WATER QUALITY STANDARDS.

(a) The commissioner of management and budget shall contract with a nonstate entity for an analysis of the costs of recently adopted or proposed changes to water quality standards and rules, including:

(1) recently adopted or proposed changes to total suspended solid, nutrient, chloride, nitrate, and sulfate standards;

(2) proposed nondegradation rulemaking provisions;

(3) proposed changes to water quality standards to incorporate a tiered aquatic life use framework; and

(4) changes to water quality standards, reinterpretation of water quality standards, and water strategies or other regulatory initiatives the commissioner of the Pollution Control Agency anticipates will be proposed in the next five years that will impact national pollutant discharge elimination system permits.

(b) The analysis must include a cost analysis for a representative sample of at least 15 communities. The sample must include a diverse set of communities based on geography, watersheds, community size, wastewater facility types and operators, storm water system types, and other factors to ensure the analysis is representative of the state as a whole. The analysis must include:

(1) an estimate of the overall costs to upgrade wastewater and storm water systems, including ongoing operating costs and costs associated with disposing of waste that are likely to be incurred as a result of the recent, proposed, and anticipated changes; and

(2) an analysis of the estimated incremental impact to water quality in affected water bodies as a direct result of the recent, proposed, and anticipated changes.

(c) The commissioner shall submit the analysis to the chairs and ranking minority members of the committees and divisions of the house of representatives and senate with jurisdiction over water quality standards no later than January 1, 2017.

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

Sec. 126. SUSPENSION OF NEW WATER QUALITY RULES.

Until the analysis is submitted to the legislature as required under section 125 and the proposed amendments to Minnesota Rules, chapters 7050 and 7053, regarding total suspended solids and eutrophication standards proposed and noticed in the State Register on November 18, 2013, have undergone a new rulemaking process and been submitted and approved by the legislature, the amendments to Minnesota Rules, chapters 7050 and 7053, regarding total suspended solids and eutrophication standards, are suspended and the rules as they were prior to adoption of the amendments remain in effect.

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

Sec. 127. LAKE WINNIPEG TOTAL MAXIMUM DAILY LOAD.

The commissioner of the Pollution Control Agency must coordinate with North Dakota and Manitoba to develop a total maximum daily load under section 303(d) of the Clean Water Act, United States Code, title 33, section 1313(d), for nutrients and suspended solids entering Lake Winnipeg. The total maximum daily load must include phosphorus and suspended solids wasteload allocations for point sources and load allocations for nonpoint sources

for sources discharging these pollutants to the Red River of the North and its tributaries. Phosphorus or suspended solids effluent limits on these point sources shall be deferred until the total maximum daily load has been subject to public review and comment and formally approved by the United States Environmental Protection Agency.

Sec. 128. **WILD RICE WATER QUALITY STANDARDS.**

(a) Until the commissioner of the Pollution Control Agency adopts the rules to establish criteria for designating waters subject to a wild rice water quality standard as required under Laws 2011, First Special Session chapter 2, article 4, section 32, paragraph (b), and adopts the rule as required under Laws 2011, First Special Session chapter 2, article 4, section 32, paragraph (a), designating waters containing natural beds of wild rice that are subject to a wild rice water quality standard and designating the specific times of year during which the standard applies, the commissioner shall not:

(1) apply the wild rice water quality standard for sulfate in class 4A waters to any waters, including incorporating the standard or any requirements based on the standard within any permits, compliance schedules, orders, or other control documents; or

(2) list waters containing natural beds of wild rice as impaired for sulfate under section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313.

(b) For the purposes of this section, "waters containing natural beds of wild rice" has the meaning given in Laws 2011, First Special Session chapter 2, article 4, section 32, paragraph (b).

Sec. 129. **FEDERAL CLEAN WATER ACT SECTION 404 PERMIT PROGRAM FEASIBILITY STUDY.**

(a) The Board of Water and Soil Resources and the commissioner of natural resources shall study the feasibility of the state assuming administration of the section 404 permit program of the federal Clean Water Act. The United States Army Corps of Engineers, St. Paul District; and the United States Environmental Protection Agency shall be consulted with during the development of the study. The study shall identify:

(1) the federal requirements for state assumption of the 404 program;

(2) the potential extent of assumption, including those waters that would remain under the jurisdiction of the United States Army Corps of Engineers due to the prohibition of 404 assumption in certain waters as defined in section 404(g)(1) of the federal Clean Water Act;

(3) differences in waters regulated under Minnesota laws compared to waters of the United States, including complications and potential solutions to address the current uncertainties relating to determining waters of the United States;

(4) measures to ensure the protection of aquatic resources consistent with the Clean Water Act, Wetland Conservation Act, and the public waters program administered by the Department of Natural Resources;

(5) changes to existing state law, including changes to current implementation structure and processes, that would need to occur to allow for state assumption of the 404 program;

(6) new agency responsibilities for implementing federal requirements and procedures that would become the obligation of the state under assumption, including the staff and resources needed for implementation;

(7) the estimated costs and savings that would accrue to affected units of government;

(8) the effect on application review and approval processes and time frames;

(9) alternatives to assumption that would also achieve the goals of regulatory simplification, efficiency, and reduced permitting times;

(10) options for financing any additional costs of implementation; and

(11) other information as determined by the board and commissioner.

(b) The board and commissioner shall involve stakeholders in the development of the plan of study consistent with Minnesota Statutes, section 103B.101, subdivision 16.

(c) By January 15, 2017, the board and commissioner must report the study to the legislative policy and finance committees and divisions with jurisdiction over environment and natural resources.

Sec. 130. **ANATOMICAL DONATION OPTION ON HUNTING AND FISHING LICENSES; STUDY.**

The commissioner of natural resources, in coordination with the commissioner of public safety, shall study the feasibility of providing an option on applications for resident licenses to hunt and fish that allows the applicant to indicate a desire to make an anatomical gift. The commissioner of natural resources shall submit recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by December 15, 2015.

Sec. 131. **METROPOLITAN PARKS; INTEREST EARNINGS.**

Notwithstanding Laws 1985, First Special Session chapter 15, section 5, subdivision 2, paragraph (b), and Laws 1987, chapter 384, article 3, section 45, the Metropolitan Council shall use the interest earnings in Laws 1985, First Special Session chapter 15, section 5, subdivision 2, for the use and betterment of all regional recreational open space lands under the jurisdiction of the Metropolitan Council.

EFFECTIVE DATE. This section is effective January 1, 2017.

Sec. 132. **REFUNDS; YOUTH BEAR LICENSES.**

The commissioner of natural resources may issue refunds for youth bear licenses that were purchased between August 1, 2013, and June 30, 2014, to individuals who were 10, 11, or 12 years old at the time of purchase until June 30, 2016.

Sec. 133. **WATER RETENTION PROJECTS.**

By August 1, 2015, the commissioner of natural resources, in cooperation with the commissioners of agriculture and the Pollution Control Agency, the Board of Water and Soil Resources, and other interested parties, shall develop proposals for significant large-scale projects that provide flood water retention, water quality improvements, nutrient and sediment reduction, and wildlife habitat for submission to the Lessard-Sams Outdoor Heritage Council, Clean Water Council, and the Legislative-Citizen Commission on Minnesota Resources for funding in fiscal year 2017. Any deadlines established by the Lessard-Sams Outdoor Heritage Council, Clean Water Council, or the Legislative-Citizen Commission on Minnesota Resources are waived for purposes of the submissions.

Sec. 134. **WILD TURKEY CRITICAL HABITAT PLATE.**

The commissioner of natural resources and the commissioner of public safety must select a design depicting wild turkey when selecting designs for the next selection of critical habitat plates as provided under Minnesota Statutes, section 168.1296, subdivision 2.

Sec. 135. **BASE BUDGET REPORT.**

The commissioners of natural resources and the Pollution Control Agency shall each submit a report that contains the details of their base budgets, including prior appropriation riders, to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources by October 15, 2016.

Sec. 136. **TRANSFERS.**

(a) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the remaining balance in the forests for the future conservation easement account under Minnesota Statutes, section 84.68.

(b) By June 30, 2015, the commissioner of management and budget shall transfer to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, the following amounts:

(1) \$114,840 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (a);

(2) \$25,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 5, paragraph (a); and

(3) \$14,000 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c).

(c) The commissioner of management and budget shall transfer additional amounts from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (c), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$42,000.

(d) The commissioner of management and budget shall transfer amounts from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (e), to the natural resources conservation easement stewardship account, established in Minnesota Statutes, section 84.69, upon closing on conservation easements funded by the appropriation, provided that total transfers to the account shall not exceed \$112,000.

(e) By June 30, 2015, the commissioner of management and budget shall transfer to the water and soil conservation easement stewardship account, established in Minnesota Statutes, section 103B.103, the following amounts:

(1) \$191,667 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 2, paragraph (c);

(2) \$57,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (a);

(3) \$15,750 from Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 4, paragraph (c);

(4) \$48,000 from Laws 2012, chapter 264, article 1, section 2, subdivision 2, paragraph (a);

- (5) \$1,821 from Laws 2012, chapter 264, article 1, section 2, subdivision 3, paragraph (a);
- (6) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 3, paragraph (b);
- (7) \$26,400 from Laws 2013, chapter 137, article 1, section 2, subdivision 2, paragraph (e);
- (8) \$4,800 from Laws 2013, chapter 137, article 1, section 2, subdivision 4, paragraph (d); and
- (9) \$4,500 from Laws 2014, chapter 256, article 1, section 2, subdivision 2, paragraph (f).

(f) The commissioner of management and budget shall continue to transfer money, appropriated to the Board of Water and Soil Resources on or before June 30, 2015, for conservation easement monitoring and enforcement funds to the water and soil conservation easement stewardship account, established in Minnesota Statutes, section 103B.103, upon closing on conservation easements, provided that total transfers to the account shall not exceed the "up to" amount specified in each appropriation.

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

Sec. 137. **FEDERAL REIMBURSEMENT; MCQUADE HARBOR.**

All money received by the state from the United States Army Corps of Engineers as reimbursement for state capital expenditures at McQuade Harbor, estimated to be \$1,605,775, must be credited to the bond proceeds fund and are appropriated to the commissioner of natural resources:

- (1) to design and renovate the marina at Knife River;
- (2) to improve the boat launch at the safe harbor at Grand Marais; and
- (3) for site clean-up, design, and construction of facilities at the proposed small craft harbor in Two Harbors.

This appropriation is available until June 30, 2019.

Sec. 138. **REVISOR'S INSTRUCTIONS.**

(a) The revisor of statutes shall delete the range reference "88.47 to 88.53" wherever it appears in Minnesota Statutes and Minnesota Rules and insert "88.49 to 88.53."

(b) The revisor of statutes shall renumber the subdivisions of Minnesota Statutes, section 103G.005, to retain alphabetical order and shall correct cross-references to the renumbered subdivisions.

Sec. 139. **REPEALER.**

(a) Minnesota Statutes 2014, sections 84.68; 88.47; 88.48; 88.49, subdivisions 1, 2, and 10; 88.491, subdivision 1; 88.51, subdivision 2; 116.02, subdivisions 7, 8, and 10; and 282.013, are repealed.

(b) Minnesota Statutes 2014, section 86B.13, subdivisions 2 and 4, are repealed.

(c) Minnesota Statutes 2014, section 477A.19, is repealed.

EFFECTIVE DATE. Paragraph (b) of this section is effective the day following final enactment.

ARTICLE 3
GAME AND FISH

Section 1. Minnesota Statutes 2014, section 84D.03, subdivision 3, is amended to read:

Subd. 3. **Bait harvest from infested waters.** (a) Taking wild animals from infested waters for bait or aquatic farm purposes is prohibited, except as provided in paragraph (b), (c), or (d), and section 97C.341.

(b) In waters that are listed as infested waters, except those listed ~~because they contain~~ as infested with prohibited invasive species of fish or certifiable diseases of fish, as defined under section 17.4982, subdivision 6, taking wild animals may be permitted for:

(1) commercial taking of wild animals for bait and aquatic farm purposes ~~according to~~ as provided in a permit issued under section 84D.11, subject to rules adopted by the commissioner; and

(2) bait purposes for noncommercial personal use in waters that contain Eurasian water milfoil, when the infested waters are listed solely because they contain Eurasian water milfoil and if the equipment for taking is limited to cylindrical minnow traps not exceeding 16 inches in diameter and 32 inches in length; ~~and~~.

~~(3) (c) In streams or rivers that are listed as infested waters, except those listed as infested with certifiable diseases of fish, as defined under section 17.4982, subdivision 6, the harvest of bullheads, goldeyes, mooneyes, sheepshead (freshwater drum), and suckers for bait from streams or rivers listed as infested waters, by hook and line for noncommercial personal use. Other provisions that apply to this clause are~~ is allowed as follows:

~~(i) (1) fish taken under this clause paragraph~~ must be used on the same body of water where caught and while still on that water body. Where the river or stream is divided by barriers such as dams, the fish must be caught and used on the same section of the river or stream;

~~(ii) (2) fish taken under this clause paragraph~~ may not be transported live from or off the water body;

~~(iii) (3) fish harvested under this clause paragraph~~ may only be used in accordance with this section;

~~(iv) (4) any other use of wild animals used for bait from infested waters is prohibited;~~

~~(v) (5) fish taken under this clause paragraph~~ must meet all other size restrictions and requirements as established in rules; and

~~(vi) (6) all species listed under this clause paragraph~~ shall be included in the person's daily limit as established in rules, if applicable.

(d) In the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, the harvest of gizzard shad by cast net for noncommercial personal use as bait for angling, as provided in a permit issued under section 84D.11, is allowed as follows:

(1) nontarget species must immediately be returned to the water;

(2) gizzard shad taken under this paragraph must be used on the same body of water where caught and while still on that water body. Where the river is divided by barriers such as dams, the gizzard shad must be caught and used on the same section of the river;

(3) gizzard shad taken under this paragraph may not be transported off the water body: and

(4) gizzard shad harvested under this paragraph may only be used in accordance with this section.

This paragraph expires December 1, 2017.

(e) (e) Equipment authorized for minnow harvest in a listed infested water by permit issued under paragraph (b) may not be transported to, or used in, any waters other than waters specified in the permit.

Sec. 2. Minnesota Statutes 2014, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) In addition to requirements of other laws relating to watercraft, a person may not operate or permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard (USCG) approved ~~Type I, II, III, or V~~ wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing;

(2) between one hour before sunset and 9:30 a.m.;

(3) at greater than slow-no wake speed within 150 feet of:

(i) a shoreline;

(ii) a dock;

(iii) a swimmer;

(iv) a raft used for swimming or diving; or

(v) a moored, anchored, or nonmotorized watercraft;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed or factory-specified accessory mirrors that give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 150 feet of the other watercraft, or operating the watercraft while facing backwards;

(10) in any other manner that is not reasonable and prudent; or

(11) without a personal watercraft rules decal, issued by the commissioner, attached to the personal watercraft so as to be in full view of the operator.

(b) Paragraph (a), clause (3), does not apply to a person operating a personal watercraft to launch or land a person on water skis, a kneeboard, or similar device by the most direct route to open water.

Sec. 3. Minnesota Statutes 2014, section 86B.313, subdivision 4, is amended to read:

Subd. 4. **Dealers and rental operations.** (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:

(1) the laws and rules governing personal watercraft; and

(2) the safe operation of personal watercraft.

(b) A person who offers personal watercraft for rent:

(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft;

(2) shall provide a United States Coast Guard (USCG) approved ~~Type I, II, III, or V~~ wearable personal flotation device with a USCG label indicating it either is approved for or does not prohibit use with personal watercraft or water skiing and any other required safety equipment to all persons who rent a personal watercraft at no additional cost; and

(3) shall require that a watercraft operator's permit from this state or from the operator's state of residence be shown each time a personal watercraft is rented to any person younger than age 18 and shall record the permit on the form provided by the commissioner.

(c) Each dealer of personal watercraft or person offering personal watercraft for rent shall have the person who purchases or rents a personal watercraft sign a form provided by the commissioner acknowledging that the purchaser or renter has been provided a copy of the laws and rules regarding personal watercraft operation and has read them. The form must be retained by the dealer or person offering personal watercraft for rent for a period of six months following the date of signature and must be made available for inspection by sheriff's deputies or conservation officers during normal business hours.

Sec. 4. Minnesota Statutes 2014, section 86B.315, is amended to read:

86B.315 TOWING PERSON ON WATER SKIS OR OTHER DEVICE.

Subdivision 1. **Observer or mirror required.** A person may not operate a watercraft on waters of this state and create a wake for a wake surfer or tow a person on water skis, an aquaplane, a surfboard, a saucer, or a similar device unless:

(1) there is another person in the watercraft in addition to the operator who is in a position to continually observe the person being towed; or

(2) the boat is equipped with a mirror providing the operator a wide field of vision to the rear.

Subd. 2. **Prohibited night skiing or towing prohibited activities.** On waters of this state, from one-half hour after sunset to sunrise of the following day, a person may not:

(1) wake surf;

(2) operate a watercraft creating a wake for a wake surfer;

(3) be towed by a watercraft; or

(4) operate a watercraft towing a person on water skis, an aquaplane, a surfboard, a saucer, or another device on waters of this state from one hour after sunset to sunrise of the following day.

Sec. 5. Minnesota Statutes 2014, section 97A.045, subdivision 11, is amended to read:

Subd. 11. **Power to prevent or control wildlife disease.** (a) If the commissioner determines that action is necessary to prevent or control a wildlife disease, the commissioner may prevent or control wildlife disease in a species of wild animal in addition to the protection provided by the game and fish laws by further limiting, closing, expanding, or opening seasons or areas of the state; by reducing or increasing limits in areas of the state; by establishing disease management zones; by authorizing free licenses; by allowing shooting from motor vehicles by persons designated by the commissioner; by issuing replacement licenses for sick animals; by requiring sample collection from hunter-harvested animals; by limiting wild animal possession, transportation, and disposition; and by restricting wildlife feeding.

(b) The commissioner shall restrict wildlife feeding within the modified accredited bovine tuberculosis zone proposed by the Board of Animal Health. In addition to any other penalties provided by law, a person who violates wildlife feeding restrictions required under this paragraph may not obtain a hunting license to take a wild animal for two years after the date of conviction.

(c) The commissioner may prevent or control wildlife disease in a species of wild animal in the state by posting restrictions on public access to active disease areas or by emergency rule adopted under section 84.027, subdivision 13.

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

Sec. 6. Minnesota Statutes 2014, section 97A.057, subdivision 1, is amended to read:

Subdivision 1. **Compliance with federal law.** The commissioner shall take any action necessary to comply with the Federal Aid in Wildlife Restoration Act, United States Code, title 16, sections 669 to 669i, and the Federal Aid in Fish Restoration Act, United States Code, title 16, sections 777 to 777k. Notwithstanding section 16E.145 or any other law to the contrary, an appropriation for an information or telecommunications technology project from the game and fish fund, as established in section 97A.055, must be made to the commissioner. Any assets acquired with or expenditures made from the game and fish fund must remain under control of the commissioner.

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

Sec. 7. Minnesota Statutes 2014, section 97A.435, subdivision 4, is amended to read:

Subd. 4. **Separate selection of eligible licensees.** (a) The commissioner may conduct a separate selection for up to 20 percent of the turkey licenses to be issued for any area. Only persons who are owners or tenants of and who live on at least 40 acres of land in the permit area, and their family members who live on the qualifying land, are eligible applicants for turkey licenses for the separate selection. The qualifying land may be noncontiguous. Persons who are unsuccessful in a separate selection must be included in the selection for the remaining licenses. Persons who obtain a license in a separate selection must allow public turkey hunting on their land during that turkey season. A license issued under this subdivision is restricted to the permit area where the qualifying land is located.

(b) The commissioner may by rule establish criteria for determining eligible family members under this subdivision.

Sec. 8. Minnesota Statutes 2014, section 97A.465, is amended by adding a subdivision to read:

Subd. 7. **Residents of veterans homes.** (a) A resident from a Minnesota veterans home may obtain a firearm or muzzleloader deer license during the season and take antlerless deer without a permit in all areas of the state open during the respective regular firearms or muzzleloader deer seasons in any permit area. This subdivision does not authorize the taking of an antlerless deer by another member of a party under section 97B.301, subdivision 3, in an area closed to taking antlerless deer or where the number of antlerless deer that may be taken is limited by a quota on the number of permits.

(b) A person may assist a Minnesota veterans home resident during the firearms or muzzleloader deer season without having a deer hunting license, but the person may not shoot a deer.

Sec. 9. **97A.56] FERAL SWINE.**

Subdivision 1. **Definition.** For purposes of this section, "feral swine" means a member of the genus and species *Sus scrofa* that lives in the wild.

Subd. 2. **Prohibited actions; penalty.** (a) A person may not possess or release feral swine or swine that were feral during any part of the swines' lifetime or allow feral swine to run at large.

(b) A person may not hunt or trap feral swine, except as authorized by the commissioner for feral swine control or eradication.

(c) A person who violates this subdivision is guilty of a misdemeanor.

Subd. 3. **Authorized removal of feral swine.** A person authorized under game and fish laws to take feral swine is not liable to the owner for the value of the animals.

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

Sec. 10. Minnesota Statutes 2014, section 97B.063, is amended to read:

97B.063 HUNTER SATISFACTION SURVEY.

The commissioner shall annually administer the collection of hunter information related to participation and satisfaction. This may include information on preferences, values, interests, participation rates and patterns, barriers to participation, or other factors. The data shall be collected using established social science methods. The

commissioner shall annually submit a summary of the information gathered under this section to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources no later than January 1 for the preceding fiscal year. The commissioner shall also make the summary information available on the department's Web site.

Sec. 11. Minnesota Statutes 2014, section 97B.081, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) It is not a violation of this section for a person to:

(1) cast the rays of a spotlight, headlight, or other artificial light to take raccoons according to section 97B.621, subdivision 3, or tend traps according to section 97B.931;

(2) hunt fox or coyote from January 1 to March 15 while using a handheld artificial light, provided that the person is:

(i) on foot;

(ii) using a shotgun;

(iii) not within a public road right-of-way;

(iv) using a handheld or electronic calling device; and

(v) not within 200 feet of a motor vehicle; or

(3) cast the rays of a handheld artificial light to retrieve wounded or dead big game animals, provided that the person is:

(i) on foot; and

(ii) not in possession of a firearm or bow.

(b) It is not a violation of subdivision 2 for a person to cast the rays of a spotlight, headlight, or other artificial light to:

(1) carry out any agricultural, safety, emergency response, normal vehicle operation, or occupation-related activities that do not involve taking wild animals; or

(2) carry out outdoor recreation as defined in section 97B.001 that is not related to spotting, locating, or taking a wild animal.

(c) Except as otherwise provided by the game and fish laws, it is not a violation of this section for a person to use an electronic range finder device from one-half hour before sunrise until one-half hour after sunset while lawfully hunting wild animals.

(d) It is not a violation of this section for a licensed bear hunter to cast the rays of a handheld artificial light to track or retrieve a wounded or dead bear while possessing a firearm, provided that the person:

(1) has the person's valid bear hunting license in possession;

(2) is on foot; and

(3) is following the blood trail of a bear that was shot during legal shooting hours.

Sec. 12. Minnesota Statutes 2014, section 97B.085, subdivision 2, is amended to read:

Subd. 2. **Taking unprotected wild animals; permit required.** A person may ~~not~~ use radio equipment to take unprotected wild animals ~~without a permit. The commissioner may issue a permit to take unprotected animals with radio equipment. The commissioner shall cancel the permit upon receiving a valid complaint of misconduct regarding the permittee's hunting activities.~~

Sec. 13. Minnesota Statutes 2014, section 97B.301, is amended by adding a subdivision to read:

Subd. 9. **Residents age 84 or over may take deer of either sex.** A resident age 84 or over may take a deer of either sex. This subdivision does not authorize the taking of an antlerless deer by another member of a party under subdivision 3.

Sec. 14. **[97B.722] POSSESSION OF FIREARMS; HUNTING TURKEY.**

(a) While afield hunting turkeys, licensees may not have in possession or control any firearm or bow and arrow except those defined as legal for taking turkeys in rules adopted by the commissioner.

(b) Paragraph (a) does not apply to a person carrying a handgun in compliance with section 624.714.

Sec. 15. **[97B.9251] BEAVER SEASON.**

The commissioner may establish open seasons and restrictions for taking beaver from 9:00 a.m. on the Saturday nearest October 26 in the North Zone and from 9:00 a.m. on the Saturday nearest October 30 in the South Zone. The seasons shall be open until May 15.

Sec. 16. Minnesota Statutes 2014, section 97C.345, is amended by adding a subdivision to read:

Subd. 3a. **Cast nets for gizzard shad.** (a) Cast nets may be used only to take gizzard shad for use as bait for angling:

(1) from July 1 to November 30; and

(2) from the Mississippi River downstream of St. Anthony Falls and the St. Croix River downstream of the dam at Taylors Falls, including portions described as Minnesota-Wisconsin boundary waters in Minnesota Rules, part 6266.0500, subpart 1, items A and B, that are listed as infested waters as allowed under section 84D.03, subdivision 3.

(b) Cast nets used under this subdivision must be monofilament and may not exceed seven feet in diameter, and mesh size must be from three-eighths to five-eighths inch bar measure.

(c) This subdivision expires December 1, 2017. The commissioner must report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by March 1, 2018, on the number of permits issued, conservation impacts from the use of cast nets, and recommendations for any necessary changes in statutes or rules.

Sec. 17. Minnesota Statutes 2014, section 97C.501, subdivision 2, is amended to read:

Subd. 2. **Minnow dealers.** (a) A person may not be a minnow dealer without a minnow dealer license except as provided in subdivision 3.

(b) A minnow dealer must obtain a minnow dealer's vehicle license for each motor vehicle used to transport minnows. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(c) A minnow dealer may not transport minnows out of the state without an exporting minnow dealer license. A minnow dealer must obtain an exporting minnow dealer's vehicle license for each motor vehicle used to transport minnows out of the state. The serial number, motor vehicle license number, make, and model must be on the license. The license must be conspicuously displayed in the vehicle.

(d) A person with a minnow dealer's license may sell minnows at one retail outlet. A minnow dealer must obtain a minnow retailer license for each additional retail outlet operated. A minnow dealer operating a retail outlet under a minnow dealer's license must list the following information for the retail outlet: name of the business; city; state; zip code; and legal description or fire number. The retail outlet name and location may be changed by making application to the commissioner.

(e) A minnow dealer may designate employees as helpers who are authorized to take, buy, sell, and transport minnows on behalf of the minnow dealer. The employees designated as helpers must be listed on the minnow dealer's license, and a copy of the license designating the employee as a helper must be in the helper's possession when acting on behalf of the minnow dealer. The minnow dealer may add and delete helpers listed on the dealer's license within a license year by notifying the commissioner in writing of the change to the license. Employees who are acting under the direction and control of the minnow dealer but who are not designated as helpers may not buy or sell minnows on behalf of the minnow dealer. This paragraph does not apply to employees selling minnows at the retail outlet location under paragraph (d).

EFFECTIVE DATE. This section is effective March 1, 2016.

Sec. 18. **RULEMAKING; LIFTING SPEARING BANS AND NORTHERN PIKE REGULATIONS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, parts 6262.0575, subpart 9, and 6264.0400, subparts 70 and 72, to delete the language prohibiting spearing.

(b) Notwithstanding Minnesota Statutes, section 97C.007, the commissioner of natural resources shall amend Minnesota Rules, part 6264.0400, subpart 71, to delete the language prohibiting spearing and modify the northern pike protected slot to 26 to 40 inches.

(c) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply.

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

Sec. 19. **RULEMAKING; WATER SURFACE USE RESTRICTIONS.**

(a) The commissioner of natural resources shall amend Minnesota Rules, part 6110.3700, subpart 9, to allow a longer period of temporary special controls in situations of local emergency by deleting "five" and inserting "30" and deleting "five-day" and inserting "30-day."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 20. **RULEMAKING; PERSONAL FLOTATION DEVICES.**

(a) To conform with changes in federal regulation, the commissioner of natural resources shall amend Minnesota Rules, part 6110.1200, subpart 3, as follows:

(1) delete the term "Type I, II, or III" and insert "wearable";

(2) delete the term "Type IV" and insert "throwable";

(3) delete items B and D and reletter the remaining items; and

(4) insert a new item that reads:

"C. All personal flotation devices required by this subpart must be:

(1) approved by the U.S. Coast Guard;

(2) legibly marked with any requirements and the approval number issued by the U.S. Coast Guard;

(3) in serviceable condition free of tears, rot, punctures, or waterlogging, and with all straps and fasteners present and in good condition;

(4) of the appropriate size for the intended wearer, if the device is designed to be worn, and in compliance with any requirements listed on the U.S. Coast Guard approval label;

(5) for wearable devices, either readily accessible or worn, except when:

(a) devices are required to be worn to be accepted as U.S. Coast Guard-approved; or

(b) wearing a U.S. Coast Guard-approved wearable personal flotation device is mandatory; and

(6) for throwable devices, immediately available.

"Readily accessible" means easily retrievable within a reasonable amount of time in an emergency. "Immediately available" means easily reached in time of emergency. Personal flotation devices located in locked containers, under heavy objects, or left in shipping bags are not considered readily accessible or immediately available."

(b) The commissioner may use the good cause exemption under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 21. **RULEMAKING; MOTORIZED TRAIL ENVIRONMENTAL REVIEW.**

(a) The Environmental Quality Board shall amend Minnesota Rules, chapter 4410, to allow the following without preparing a mandatory environmental assessment worksheet:

(1) constructing a recreational trail less than 25 miles long on forested or other naturally vegetated land for a recreational use;

(2) adding a new motorized recreational use or a seasonal motorized recreational use to an existing motorized recreational trail if the treadway width is not expanded as a result of the added use; and

(3) designating an existing, legally constructed route, such as a logging road, for motorized recreational trail use.

(b) The board may use the good cause exemption rulemaking procedure under Minnesota Statutes, section 14.388, subdivision 1, clause (3), to adopt rules under this section, and Minnesota Statutes, section 14.386, does not apply except as provided under Minnesota Statutes, section 14.388.

Sec. 22. **REPEALER.**

(a) Minnesota Statutes 2014, sections 97A.475, subdivision 25; and 97B.905, subdivision 3, are repealed.

(b) Minnesota Rules, part 6264.0400, subparts 27 and 28, are repealed.

EFFECTIVE DATE. Paragraph (b) is effective July 1, 2015."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment and natural resources; modifying public entity purchasing requirements; modifying solid waste provisions; modifying subsurface sewage treatment systems provisions; modifying compensable losses due to harmful substances; modifying invasive species provisions; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying recreational vehicle provisions; providing for all-terrain vehicle safety training indication on drivers' licenses and identification cards; modifying and providing for certain fees; creating and modifying certain accounts; providing for and modifying certain grants; modifying disposition of certain revenue; modifying certain permit provisions; providing for condemnation of certain school trust lands; modifying Water Law; providing for certain enforcement delay; modifying personal flotation device provisions; regulating wake surfing; modifying game and fish laws; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; providing for Minnesota Pollution Control Agency Citizens' Board; prohibiting sale of certain personal care products containing synthetic plastic microbeads; requiring reports; requiring rulemaking; amending Minnesota Statutes 2014, sections 16A.531, subdivision 1a; 16C.073, subdivision 2; 84.415, subdivision 7; 84.788, subdivision 5, by adding a subdivision; 84.82, subdivision 6; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.925, subdivision 5; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18, by adding a subdivision; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 5; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 85.32, subdivision 1; 86B.313, subdivisions 1, 4; 86B.315; 86B.401, subdivision 3; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 90.14; 90.193; 94.10, subdivision 2; 94.16, subdivisions 2, 3; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.005, subdivision 1, by adding a subdivision; 97C.301, by adding a subdivision; 97C.345, by adding a subdivision; 97C.501, subdivision 2; 103B.101, by adding a subdivision; 103B.3355; 103F.612, subdivision 2; 103G.005, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2242, subdivisions 1, 2, 3, 4, 12, 14; 103G.2251; 103G.245, subdivision 2; 103G.271, subdivisions 3, 5, 6a; 103G.287, subdivisions 1, 2; 103G.291, subdivision 3; 103G.301, subdivision 5a; 115.03, by adding a subdivision; 115.073; 115.55, subdivisions 1, 3; 115.56, subdivision 2; 115A.03, subdivision 25a; 115A.551, subdivision 2a; 115A.557, subdivision 2; 115A.93, subdivision 1; 115B.34, subdivision 2; 115C.05; 116.02; 116.03, subdivision 1; 116.07, subdivisions 4d, 4j, 7, by adding a subdivision; 116D.04, by adding a subdivision; 144.12, by adding a subdivision; 171.07, by adding a subdivision; 282.011, subdivision 3; 446A.073, subdivisions 1, 3, 4; 473.1565; Laws 2010, chapter 215, article 3, section 3, subdivision 6, as amended; Laws 2014, chapter 312, article 12, section 6, subdivision 5;

proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 85; 92; 97A; 97B; 103B; 103G; 114C; 115; 115A; 325E; repealing Minnesota Statutes 2014, sections 84.68; 86B.13, subdivisions 2, 4; 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 97A.475, subdivision 25; 97B.905, subdivision 3; 116.02, subdivisions 7, 8, 10; 282.013; 477A.19; Minnesota Rules, part 6264.0400, subparts 27, 28."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1971, A bill for an act relating to the Metropolitan Council; requiring approval before implementation of the Thrive MSP 2040 metropolitan development guide; requiring revision after local government input.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2014, section 473.145, is amended to read:

473.145 DEVELOPMENT GUIDE.

The Metropolitan Council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings. Notwithstanding any council action to adopt it, a plan or plan element relating to housing does not take effect until a law is enacted approving the plan.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to plans adopted before, on, or after that date. This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 2. Minnesota Statutes 2014, section 473.254, subdivision 2, is amended to read:

Subd. 2. **Affordable, life-cycle goals.** The council shall negotiate with each municipality to establish affordable and life-cycle housing goals for that municipality that are consistent with and promote the policies of the Metropolitan Council as provided in the adopted Metropolitan Development Guide. The council shall adopt, by resolution after a public hearing, the negotiated affordable and life-cycle housing goals for each municipality by January 15, 1996, and by January 15 in each succeeding year for each municipality newly electing to participate in the program or for each municipality with which new housing goals have been negotiated. By June 30, 1996, and by June 30 in each succeeding year for each municipality newly electing to participate in the program or for each municipality with which new housing goals have been negotiated, each municipality shall identify to the council the actions it plans to take to meet the established housing goals.

Beginning in 2016, the negotiated affordable and life-cycle housing goals for each municipality must be submitted by January 15 each year to the chairs and ranking minority members of the legislative committees with jurisdiction over the Metropolitan Council and housing policy and finance, and may be adopted by the council only after a law is enacted approving them or the legislature has adjourned its regular session for that calendar year without taking any action on the matter.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. Minnesota Statutes 2014, section 473.254, subdivision 3a, is amended to read:

Subd. 3a. **Affordable, life-cycle housing opportunities amount.** (a) Each municipality's "affordable and life-cycle housing opportunities amount" for that year must be determined annually by the council using the method in this subdivision. The affordable and life-cycle housing opportunities amount must be determined for each calendar year for all municipalities in the metropolitan area.

(b) The council must allocate to each municipality its portion of the \$1,000,000 of the revenue generated by the levy authorized in section 473.249 which is credited to the local housing incentives account pursuant to subdivision 5, paragraph (b). The allocation must be made by determining the amount levied for and payable in each municipality in the previous calendar year pursuant to the council levy in section 473.249 divided by the total amount levied for and payable in the metropolitan area in the previous calendar year pursuant to such levy and multiplying that result by \$1,000,000.

(c) The council must also determine the amount levied for and payable in each municipality in the previous calendar year pursuant to the council levy in section 473.253, subdivision 1.

(d) A municipality's affordable and life-cycle housing opportunities amount for the calendar year is the sum of the amounts determined under paragraphs (b) and (c).

(e) The council must report to the chairs and ranking minority members of the legislative committees with jurisdiction over the Metropolitan Council and housing policy and finance by March 15 each year the council's estimated amount under paragraph (d). The legislature may approve, modify, or reject the amounts the council will use in paragraph (f). If no law is enacted to approve, modify, or reject the amounts during the regular legislative session for that calendar year, the council may proceed with its proposed amounts.

~~(e)~~ (f) By August 1 of each year, the council must notify each municipality of its affordable and life-cycle housing opportunities amount for the following calendar year determined by the method in this subdivision.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. Minnesota Statutes 2014, section 473.857, subdivision 1, is amended to read:

Subdivision 1. **Population data challenges; request for hearing.** (a) A local government may, by resolution, reject the council's population and demographic assumptions as they apply to the local government and are provided in the system statement. The council must reconsider its population and demographic analysis with regard to that local government, taking into account the basis for the rejection and any data provided by the local government in its resolution, and provide the results to the local government.

(b) If a local governmental unit and the council are unable to resolve disagreements over the content of a system statement, the unit may by resolution request that a hearing be conducted by the advisory committee or by the state Office of Administrative Hearings for the purpose of considering amendments to the system statement. The request

shall be made by the unit within 60 days after receipt of the system statement and shall be accompanied by a description of the disagreement together with specified proposed amendments to the system statement. If no request for a hearing is received by the council within 60 days, the statement shall be final.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert "; providing for legislative approval of housing-related plans and goals; allowing local governments to reject population and demographic assumptions"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 4 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1238 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Albright, Sanders and Nash introduced:

H. F. No. 2236, A bill for an act relating to the Metropolitan Council; providing for metropolitan county commissioners to serve as members of the Metropolitan Council; modifying the vote required to approve Metropolitan Council policies, plans, and budgets; modifying the Metropolitan Land Planning Act to eliminate authority of the Metropolitan Council to require local comprehensive plan amendments in response to council policies, plans, and system statements; establishing a blue ribbon commission to study and make recommendations on metropolitan governance; appropriating money; amending Minnesota Statutes 2014, sections 473.123,

subdivisions 1, 4, by adding subdivisions; 473.145; 473.175, subdivisions 1, 2; 473.851; 473.856; 473.858, subdivision 1; 473.859, subdivisions 3, 4; 473.864, subdivision 2; 473.865, subdivision 2; 473.87; repealing Minnesota Statutes 2014, sections 473.123, subdivisions 2a, 3, 3a, 3e; 473.175, subdivision 3; 473.857; 473.864, subdivision 1; 473.866; Laws 1994, chapter 628, article 1, section 8.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Koznick introduced:

H. F. No. 2237, A bill for an act relating to state government; requiring contracting audits when commissioner delegates duties; requiring guidelines when duties are delegated; amending Minnesota Statutes 2014, section 16C.03, subdivision 16.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Clark and Fischer introduced:

H. F. No. 2238, A bill for an act relating to capital investment; authorizing housing infrastructure bonds to finance affordable owner-occupied housing under the HOME pilot project; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 462A.37, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Clark and Fischer introduced:

H. F. No. 2239, A bill for an act relating to capital investment; authorizing housing infrastructure bonds to finance affordable owner-occupied housing statewide; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 462A.37, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Swedzinski introduced:

H. F. No. 2240, A bill for an act relating to energy; requiring the Public Utilities Commission to provide a property rights ombudsman to assist landowners affected by the construction of large energy facilities; providing for an assessment by the commission to reimburse the costs of the property rights ombudsman; amending Minnesota Statutes 2014, section 216B.62, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216E.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Whelan, Barrett, Pugh and Gruenhagen introduced:

H. F. No. 2241, A bill for an act relating to higher education; requiring itemization of expenditures made from state appropriations by the University of Minnesota and the Minnesota State Colleges and Universities; requiring a report related to administrative cost savings at the University of Minnesota; amending Minnesota Statutes 2014, section 135A.031, subdivision 7.

The bill was read for the first time and referred to the Committee on Higher Education Policy and Finance.

Loeffler; Kahn; Moran; Fischer; Allen; Schultz; Dehn, R.; Mariani; Norton; Hornstein; Quam; Isaacson; Clark and Bernardy introduced:

H. F. No. 2242, A bill for an act relating to insurance; requiring that motorcycle owners obtain medical payments insurance coverage for insured owners or riders; proposing coding for new law in Minnesota Statutes, chapter 65B.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

MOTIONS AND RESOLUTIONS

Newberger moved that the name of Erickson be added as an author on H. F. No. 722. The motion prevailed.

Lien moved that the name of Kiel be added as an author on H. F. No. 1627. The motion prevailed.

Youakim moved that the name of Freiberg be added as an author on H. F. No. 1957. The motion prevailed.

Miller moved that the name of Baker be added as an author on H. F. No. 2224. The motion prevailed.

Hortman moved that the names of Erhardt, Fischer, Persell and Kahn be added as authors on H. F. No. 2229. The motion prevailed.

Dill moved that H. F. No. 586 be recalled from the Committee on Job Growth and Energy Affordability Policy and Finance and be re-referred to the Committee on Taxes. The motion prevailed.

Hansen moved that H. F. No. 846 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Civil Law and Data Practices. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, April 20, 2015. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Monday, April 20, 2015.

PATRICK D. MURPHY, Chief Clerk, House of Representatives