HOUSE RESEARCH

Bill Summary

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#### Overview

This is the omnibus K-12 education finance bill.

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| Section |  |
| Article 1: General Education | |
|  | Generally. Exempts proceeds from mineral leases received by the state that are generated from school trust lands from a requirement that 20 percent of those payments be deposited into the minerals management account. |
|  | Minerals management account. Removes the permanent school fund from the list of funds that receive a distribution from the minerals management account when that account exceeds $3,000,000. |
|  | Length of school year. Establishes a minimum number of hours for student instruction. Sets the hours at 425 hours per year for kindergarten pupils, 935 hours for pupils in grades 1 to 6 and 1,020 hours per year for pupils in grades 7 to 12. |
|  | Early graduation. Redirects early graduation savings from a school district to the early graduation achievement scholarship program for participating students (current law allows a school district to continue to count a student who graduates early in its enrollment for the full school year). |
|  | Early graduation achievement scholarship program. Creates the early graduation achievement scholarship program. Qualifies a student who graduates early for a scholarship of up to $7,500. Allows the student to use the scholarship at any accredited higher education institution. Creates a process for the Commissioner of Education to verify the student’s enrollment in a higher education institution. |
|  | Early graduation military service award program. Creates the early graduation military service award program. Qualifies a student who graduates early and enters the military to receive a cash award not to exceed the scholarship amounts listed in section 5. |
|  | Transitional planning year. Eliminates a cross-reference to staff development revenue. |
|  | Planning and staff development. Allows a school district that is participating in the Q Comp program to use up to 2 percent of its general revenue for staff development purposes. |
|  | Staff development committee. Clarifies that a school board may continue to carry on specific staff development activities if it chooses to implement a staff development plan. |
|  | Effective staff development activities. Eliminates an exception for staff development revenue uses (since the staff development revenue set-aside is being repealed). |
|  | Staff development report. Clarifies that a school board that voluntarily continues to implement a staff development plan must continue to report the results of its staff development activities. |
|  | Classes, number. Requires the commissioner of education to include charter schools as a type of school district for purposes of defining school districts. |
|  | General education revenue. Includes small school revenue as a category of general education revenue beginning in fiscal year 2013. |
|  | Basic revenue. Increases the basic formula allowance from $5,124 to $5,155 in fiscal year 2012, to $5,210 for fiscal year 2013, and $5,375 for fiscal years 2014 and later. |
|  | Extended time revenue. Increases extended time revenue for fiscal years 2013 and later by increasing the extended time allowance from $4,601 to $5,124 per extended time pupil unit. |
|  | Small schools revenue. Creates a new component of general education revenue called small schools revenue for school districts and charter schools with fewer than 1,000 pupil units. Sets the revenue amount equal to the district’s pupils units times 8 percent of the formula allowance times the ratio of the 1,000 less the district’s pupil units, to 1,000. |
|  | Compensatory education revenue. Delinks compensatory revenue from the basic formula allowance. |
|  | Secondary sparsity revenue. Delinks secondary sparsity revenue from the formula allowance. |
|  | Elementary sparsity revenue. Delinks elementary sparsity revenue from the formula allowance. |
|  | Sparsity revenue for school districts that close facilities. Expands the sparsity revenue grandfather so that it covers sparsity revenue decreases caused by neighboring school districts’ decisions to close or relocate school facilities. |
|  | Operating capital levy. Lowers the operating capital levy by about $16 million by increasing the equalizing factor beginning in fiscal year 2013. |
|  | Uses of total operating capital. Expands the uses of operating capital revenue to include the costs associated with leasing vehicles, and the costs directly associated with closing a school facility, including moving and storage costs. |
|  | Reallocating general education revenue for all-day kindergarten and prekindergarten. Conforms the current reallocation of early graduation savings to the scholarship program that is created in section 2. |
|  | Annual general education aid appropriation. Includes the early graduation payments in the general education aid open and standing appropriation. |
|  | **Safe schools levy.**  Strikes the maintenance of effort provision that requires districts to set aside a portion of the safe school levy proceeds to pay for school counselors and other school professionals and to maintain amounts expended on employer services or equivalent numbers of full-time employees. |
|  | School endowment fund; apportionment. Changes the distribution of permanent school fund revenue from the resident pupils in each school district to the pupils served by each school district effective for revenue for fiscal years 2012 and later. |
|  | City or town where quarried or produced. Eliminates the 2009 language that transferred the aid offset portion of the taconite production money to cities and towns located within the taconite relief area. |
|  | School districts. Removes the 2009 redirection of taconite production revenue from school districts to cities and towns located within the taconite relief area. |
|  | Kittson central school closing. Qualifies the Lancaster school district for additional sparsity revenue under for fiscal years 2012 and later to reflect the Kittson Central school district's closure of the Kennedy elementary school. |
|  | Northland Community Schools school closing. Qualifies Northland Community Schools for additional sparsity revenue for fiscal years 2012 and later to reflect its closing of the Longville elementary school. |
|  | Appropriations. Appropriated money for general education programs, including $17 million for onetime compensatory grants to large school districts with lower baseline amounts of compensatory revenue. See fiscal worksheet for details. |
|  | Appropriations; Minnesota Department of Natural Resources. Appropriates $2,072,000 in fiscal year 2013 from the general fund to the commissioner of natural resources for minerals management activities on school trust fund lands. |
|  | Repealer and reenactment. Repeals the section of session law that repealed the taconite production tax offset against general education revenue and reinstates the general education aid subtraction for fiscal years 2012 and later. |
| Article 2: Academic Excellence | |
|  | **School boards; interactive technology with an audio and visual link.** Allows a school board to conduct meetings using interactive technology with an audio and visual link if the board complies with other requirements governing meetings of local units of government. |
|  | **Revisions and reviews required.** (a) Directs the education commissioner to revise and align the state's academic standards and graduation requirements consistent with the statutorily established review cycle and rulemaking requirements under Minnesota Statutes, chapter 14, but prohibits the commissioner from finally adopting revised and realigned academic standards and graduation requirements in rule without specific legislative authority.  (f) Postpones by one year the review of the state's academic standards and graduation requirements in social studies.  Makes this section effective immediately. |
|  | **Statewide testing.** Reduces by one school year the period during which an alternative to passing the math GRAD test is in effect so that the math GRAD exception applies for students graduating in any school year from the 2009-2010 through the 2012-2013 school year, instead of through the 2013-2014 school year.  Makes this section effective July 1, 2011. |
|  | **High school assessments.** (a) Notwithstanding other law, directs the education commissioner to establish high school assessments for students entering grade 8 in the 2010-2012-2013 school year and later that provide information on students' college and career readiness and meet federal accountability requirements, consistent with this subdivision.  (b) Directs the commissioner to establish and administer a high school reading and writing exam at the end of grade 10. Requires the exam to: align with revised academic content standards; produce independent scores for each content area; include multiple choice and open-ended reading items; be designed for computer administration and scoring so that students' exams scores are available within five school days beginning in the second year a computerized test is administered, among other design characteristics; allow for remediation and frequent retests at intervals of six weeks or more; use achievement level descriptors in reading and writing that define students' college and career readiness; require general education students to achieve passing scores in reading and writing as a condition of graduating; require general education students who do not pass to participate in a locally-developed remediation plan; include a limited state-level student appeals process available to up to two percent of students in a graduating class; and allow alternatives for student transfers from other states, students with disabilities, and ELL students.  (c) Requires all general education students to receive a passing score in both reading and writing to graduate from high school, consistent with paragraphs (b) and (e). Directs the commissioner to establish the passing score.  (d) Directs the commissioner to establish statewide end-of-course exams in high school algebra and biology. Requires the exams to: align with revised academic content standards; include multiple choice and open-ended items that assess knowledge and skills in the state's academic content standards; be designed for computer administration and scoring so that students' exams scores are available within five school days beginning in the second year a computerized test is administered; be administered at regular intervals that align with the most common Minnesota high school schedules; generate exam achievement levels; use achievement level descriptors that define students' college and career readiness; require students as a condition of graduating, to achieve passing scores in algebra and biology; require a student who does not pass an algebra or biology course to retake the course or complete a credit recovery class and retake the end-of-course assessment; allow alternatives for student transfers from other states, students with disabilities, and EEL students; use three years of research and analysis through 2015-2016 to calculate and report an alignment index; require schools that are highly misaligned for two or more years to notify parents; and use district funds to correct the misalignment.  (e) Makes the requirements of the subdivision applicable to public school students, including charter school students, who enter 8th grade in the 2012-2013 school year and later. Allows the commissioner to establish a transition period for students entering the 8th grade in the 2012-2013 or 2013-2014 school years using GRAD requirements or a staggered implementation of this subdivision. Requires any interim passing score in reading or writing to be comparable to those required for the GRAD tests. Allows the commissioner to seek the legislature's authority to adjust this time line if federal or other circumstances warrant.  (f) As a condition of fully implementing this subdivision and enabling school districts to provide intervention and support to struggling students and improve instruction for all students, requires the commissioner to provide all school districts with (i) benchmark assessments that are aligned with the high school reading and writing assessment and algebra and biology end-of-course exams and (ii) an item bank available to teachers for creating formative assessments to help students prepare for the high school reading and writing assessment and algebra and biology end-of-course exams.  (g) Directs the commissioner to expand the assessment advisory committee to include assessment experts and practitioners from secondary and postsecondary education systems and other stakeholders to monitor the implementation of and student outcomes and state support available to school districts under this subdivision. Directs the committee to report annually by February 15 to the commissioner and the legislature. Precludes committee members from receiving any payment for their committee service.  (h) Prohibits the commissioner from developing additional end-of-course exams in geometry, chemistry, or physics until specifically authorized to do so.  (i) Requires school districts and charter schools to indicate on a student's transcript the student's level of college and career readiness in reading, writing, algebra, and biology after the levels have been established through a professionally recognized methodology.  Makes this section effective immediately. |
|  | **District and charter school and school district grading system and school recognition program.**  **Subd. 1. District and charter school and school district grades.** (a) Consistent with state growth targets and school performance report cards, establishes an "A to F" school and district grading system to identify schools where students are achieving low, medium, or high growth and achieving or not achieving proficiency on statewide reading and math tests. Directs the commissioner annually to grade schools and districts and report the grades based on specified calculations: (1) bases 50 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved proficiency on statewide reading and math assessments in the previous school year; (2) bases 25 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low, medium, or high growth on statewide reading and math assessments in the previous school year; (3) bases 15 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low growth and did not achieve proficiency on the statewide reading assessments in the previous school year; (4) bases ten percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low growth and did not achieve proficiency on the statewide math assessments in the previous school year; and (5) using the calculations in clauses (1) to (4), bases a school district's grade on the combined average of all district schools.  (b) Requires that school and district grades accurately reflect the differences in schools' performance based on students' proficiency and growth and the calculations required under this subdivision. Allows a school or district to appeal its grade in writing to the commissioner within 30 days of receiving notice of its grade and makes the commissioner's decision final. Categorizes grades given under this section as nonpublic data until not later than ten days after an appeal is completed under this paragraph.  **Subd. 2. District and charter school recognition.** (a) Makes a school that receives an "A" grade in the previous school year, improves at least one letter grade in the previous school year, or improves two or more letter grades in the two previous school years eligible for a school recognition award.  (b) Declares that a school recognition award equals $100 per enrollee in each eligible school. Directs the commissioner to distribute the awards.  (c) Allows a school to use a school recognition award to pay one-time staff bonuses, pay one-time expenditures for equipment or materials to help maintain or improve student academic achievement, temporarily employ licensed or otherwise qualified staff to help maintain or improve student academic achievement. Declares that awards are not subject to collective bargaining agreements.  (d) Allows a school to select a site team to decide how to distribute the award and if no site team is selected or no site team agreement is reached by November 1 in the year the award is made, directs the school principal or other person having administrative control of the school to distribute the award.  Makes this section effective immediately and requires the commissioner to use student performance data beginning in the 2011-2012 school year, determine and report a letter grade for each school and district, and distribute school recognition awards beginning in the 2012-2013 school year and later. |
|  | **Qualified economic offer.** (a) For teachers generally, prevents teachers from striking or pursuing interest arbitration on an issue related to their total compensation when a school board offers its teachers a biennial employment contract that includes a percentage increase in their total compensation that at least equals the percentage increase in basic revenue as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium. Allows teachers to strike or pursue interest arbitration for noneconomic issues. Declares that other revenue sources available to the district are not to be included in any calculation of compensation.  (b) Defines total compensation for teachers when the school board and the exclusive representative of the teachers fail to agree to a total compensation amount by January 15 of an even-numbered year, consistent with the statutory section establishing a January 15 collective bargaining deadline and aid penalty. Determines total compensation under this paragraph based on (1) continuing teachers' benefits at the same percentage of the total compensation and in the same manner as the benefits provided in the last contract and (2) calculating any remaining percentage increase in total compensation (based on the percentage increase in the general education formula allowance), first, on any alternative teacher professional pay plan in effect, second, on number of years of teaching service, and third, on promotion and continuing education.  (c) Defines teachers to include classroom teachers. Allows a school board to offer school administrators and non-licensed employees a contract under this section. Defines total compensation to include salaries and other employee benefits.  Makes this section effective after July 1, 2011. |
|  | Qualified economic offer. (a) For teachers in Minneapolis, St. Paul, and Duluth, prevents teachers from striking or pursuing interest arbitration on an issue related to their total compensation when a school board offers its teachers a biennial employment contract that includes a percentage increase in their total compensation that at least equals the percentage increase in basic revenue as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium. Allows teachers to strike or pursue interest arbitration for noneconomic issues. Declares that other revenue sources available to the district are not to be included in any calculation of compensation.  (b) Defines total compensation for teachers when the school board and the exclusive representative of the teachers fail to agree to a total compensation amount by January 15 of an even-numbered year, consistent with the statutory section establishing a January 15 collective bargaining deadline and aid penalty. Determines total compensation under this paragraph based on (1) continuing teachers' benefits at the same percentage of the total compensation and in the same manner as the benefits provided in the last contract and (2) calculating any remaining percentage increase in total compensation (based on the percentage increase in the general education formula allowance), first, on any alternative teacher professional pay plan in effect, second, on number of years of teaching service, and third, on promotion and continuing education.  (c) Defines teachers to include classroom teachers. Allows a school board to offer school administrators and non-licensed employees a contract under this section. Defines total compensation to include salaries and other employee benefits.  Makes this section effective after July 1, 2011. |
|  | Transitional planning year. Strikes many of the requirements for the transitional planning year applicable to school districts and intermediate districts interested in participating in Q-Comp. Directs interested districts, intermediate districts, and charter schools to begin developing an alternative teacher pay plan that bases teachers’ compensation increases on longitudinal data, locally selected measures of student learning, and other highly-reliable research-based measures.  Makes this section effective immediately. |
|  | Alternative teacher professional pay system. Requires participating districts and intermediate districts to have a pay system agreement that awards compensation increases based on: district-wide measures of student achievement that use longitudinal data and locally selected measures of student learning aligned with the curriculum, which must be the basis for 50 percent of any increase; data from parent surveys, an annual evaluation by a trained school administrator, and other highly reliable research-based performance measures; and objective evaluations that include multiple criteria and are conducted by a trained local evaluation team.  Makes this section effective June 1, 2013. |
|  | **Charter school application.** Strikes language requiring that a charter school application to participate in Q-Comp include a record indicating that at least 70 percent of the charter school teachers agree to implement Q-Comp unless the charter school submits another alternative professional pay system agreement before the first year of the school's operation.  Makes this section effective June 1, 2013. |
|  | Approval process. Strikes references to school sites in describing a standard Q-Comp application process. Clarifies that the commissioner's 30-day time line for review refers to 30 business days.  Makes this section effective June 1, 2013. |
|  | **Annuity contract; payroll allocation.** Gives local school boards the ability to determine the identity and number of vendors of federal 403(b) service-based retirement plans for school employees instead of having the determination made as part of the collective bargaining agreement between the school board and the exclusive representative of the teachers.  Makes this section effective July 1, 2011. |
|  | **Contract; duties.** Includes an annual evaluation of school principals in the list of duties a school superintendent is required to perform.  Makes this section effective for the 2013-2014 school year and later. |
|  | **Enrollment options for students at low-performing public schools.**  **Subd. 1. Student enrollment options.** (a) Makes a student who attends a persistently low-performing school located in a city of the first class for one school year and whose family income does not exceed 175 percent of poverty eligible to enroll in a nonpublic school under this section or in a nonresident school district or program under the state's open enrollment law.  (b) Defines "persistently low-performing school" to mean a school located in a city of the first class where, for at least the past three school years, more than 40 percent of the students scored at the "does not meet standards" level on the reading or math MCA, more than 50 percent of students demonstrate growth in reading or math that is either not proficient with either low or medium growth or proficient with low growth, or 50 percent or more of secondary school students do not receive a passing score on the first administration of the reading, math, or writing GRAD test.  **Subd. 2. Eligible nonpublic schools.** (a) Requires an eligible nonpublic school under this section to: comply with gender equity requirements in athletic programs and the state human rights act; accommodate students under the American with Disabilities Act; adopt an antidiscrimination and harassment and violence prevention policy, and an anti-intimidation and bullying policy; submit data to the commissioner for the school report card; accept students on a random basis except for sibling preference; notify the commissioner of its intent to participate; and administer statewide reading and math tests to students enrolled under this section.  (b) Directs the commissioner to ensure that participating nonpublic schools comply with this subdivision.  **Subd. 3. Tuition funding for students transferring to nonpublic schools.** (a) Directs the commissioner to make quarterly payments to the parent or guardian of a student enrolled in a nonpublic school. Directs the commissioner to send the check to the nonpublic school to have the parent restrictively endorse the check for the nonpublic school to use.  (b) Provides up to $400 annually in tutoring costs to a student who is eligible to transfer to a non-public school and elects to remain enrolled in a persistently low performing school.  **Subd. 4. Student transportation.** Makes the resident school district responsible for transportation within the district's borders for a student enrolled in a nonpublic school. Provides the district with transportation funding equal to the actual cost of transportation services in the current school year.  **Subd. 5. Funding for student testing.** Directs the state to pay the nonpublic school for the costs of administering statewide tests.  **Subd. 6. Curriculum review; exemption from instruction.** Requires a participating nonpublic school to provide a procedure for parents and adult students to review instructional materials and to exempt students from instructional materials that are objectionable.  **Subd. 7. Financial audit.** Requires a participating nonpublic school annually by November 15 to submit a financial audit of the preceding school year to the commissioner.  **Subd. 8. List of nonpublic schools.** Directs the commissioner to publish a list of participating nonpublic schools.  Makes this section effective for the 2011-2012 school year and later. |
|  | **Innovation revenue.** Replaces integration revenue with innovation levy revenue. Sets innovation aid and levy equal to each district’s integration revenue for fiscal year 2011 except for schools located in cities of the first class. Lowers Minneapolis and St. Paul’s innovation revenue provided entirely in local levy in an amount equal to their integration levy for fiscal year 2011. Lowers Duluth’s integration revenue to $129 per pupil unit.  Makes this section effective for state aid recognized by school districts in fiscal year 2012 and later and for levies payable in 2012 and later. |
|  | **Nonessential employees.** Precludes teachers from requesting interest arbitration.  Makes this section effective July 1, 2013. |
|  | **Teacher contracts.** Allows a school board and the exclusive representative of the teachers to meet and negotiate and enter into an employment contract during the three-month period preceding September 1 in an odd-numbered year. If a certified written agreement is not reached by September 1, suspends the negotiations until the three-month period preceding September 1 in the next even-numbered year. Makes employee compensation during the time negotiations are suspended subject to the collective bargaining agreement in effect in the preceding bargaining cycle. If an agreement is not reached during the three-month negotiating period in an even-numbered year, directs the district to submit the matter to an arbitrator selected by the Bureau of Mediation Services who must decide the matter based on a final offer total package from each party.  Makes this section effective July 1, 2013. |
|  | **When authorized.** Prohibits teachers from striking.  Makes this section effective July 1, 2013. |
|  | **Notice.** Strikes language establishing the conditions under which teachers may strike.  Makes this section effective July 1, 2013. |
|  | Implementing a performance-based evaluation system for principals. (a) Directs the education commissioner and the associations of elementary and secondary school principals to convene a group of experts and stakeholders to develop an annual performance-based principal evaluation system model. Directs the group to consider how principals develop and maintain high standards for student performance, rigorous curriculum, quality instruction, a culture of learning and professional behavior, connections to external communities, systemic performance accountability, and leadership behaviors that create effective schools and improve school performance. Encourages the group to also consider whether to establish a multi-tiered evaluation system for newly licensed principals and more experienced school leaders.  (b) Directs the education commissioner and the associations of elementary and secondary school principals to submit a written report and all the group's papers to the legislature by February 1, 2012, discussing the group's responses to paragraph (a) and its recommendations for an annual performance-based principal evaluation system model. Causes the group to expire on June 1, 2012.  Makes this section effective immediately and applicable to principal evaluations beginning in the 2013-2014 school year and later. |
|  | **Report; plan for implementing school and district grading system.** Directs the education commissioner to convene a stakeholder group to advise the commissioner on developing a plan to implement the school and district grading system. Directs the commissioner to present the written plan to the legislature by February 15, 2012, and include any recommendations for further clarifying the school and district grading system.  Makes this section effective immediately. |
|  | Report; recommendations for increasing schools' financial flexibility. Directs the education commissioner, by February 1, 2012, to recommend to the legislature fiscal mandates that could be waived to give greater financial flexibility to schools receiving an "A" grade, schools that improved at least one letter grade in the school year, and schools improving two or more letter grades in two school years.  Makes this section effective immediately. |
|  | **Assessment advisory committee; recommendations.** (a) Directs the assessment advisory committee to develop recommendations for alternative methods by which students meet the reading and writing exam requirement. Directs the advisory committee to consider CLEP, the ACT, and the SAT.  (b) Directs the assessment advisory committee to develop recommendations for alternative methods by which students satisfy the high school algebra and biology requirements and demonstrate college and career readiness. Directs the advisory committee to consider CLEP, the ACT, the SAT, or Advanced Placement and International Baccalaureate exams.  (c) Directs the assessment advisory committee, in order to fully implement the high school assessment system, to develop recommendations for the administrative structure, criteria, and processes for implementing a state-level appeals process. Also directs the committee to develop recommendations for calculating the alignment index.  (d) Directs the assessment advisory committee by February 15, 2013, to submit its recommendations to the education commissioner and the legislature.  Makes this section immediately effective. |
|  | **Alternative compensation reapplication.** Requires a district, intermediate district, or charter school with an approved Q-Comp plan to submit a new application to the education commissioner by June 1, 2014, that complies with a statewide teacher appraisal and evaluation structure.  Makes this section effective immediately. |
|  | **Appropriations.** See attached fiscal spreadsheet. |
|  | **Repealer.** (a) Repeals the section establishing a January 15 teacher contract deadline and state aid penalty for failing to meet that deadline (Minn. Stat. § 123B.05) and the provision establishing the conditions under which teachers may strike (Minn. Stat. § 179A.18, subd. 2).  (b) Repeals provisions governing integration revenue (Minn. Stat. §124D.86, subds. 1, 1a, 2, 4, 5, 6) and related rules (Minn. Rules, parts 3535.0100, 3535.0110, 3535.0120, 3535.0140, 3535.0150, 3535.0169,3535.0170, and 3535.0180).  Makes paragraph (a) effective immediately and paragraph (b) effective July 1, 2011. |
| Article 3: Special Education | |
|  | Rulemaking. Prohibits the education commissioner from adopting new special education rules or amending existing special education rules without specific legislative authority. Exempts technical changes and corrections from this prohibition.  Makes this section effective immediately. |
|  | Third-party reimbursement. (b) For children enrolled in medical assistance or MinnesotaCare, directs a school district to provide an initial and then annual notice to the parent of a child with disabilities of the district’s intent to seek reimbursement from medical assistance or MinnesotaCare for the individualized education program health-related services that the district provides to the child. The initial notice must inform the child’s parent of the parent’s right to: request a copy of the child’s education records on the health-related services that the district provided and disclosed to a third-party payer; withdraw consent for the district to disclose information in a child’s education record at any time without affecting a parent’s eligibility for medical assistance or MinnesotaCare; and receive a statement indicating that the parent’s decision to withdraw consent for the district to disclose information about the child has no consequence for the parent.  (c) Requires a district’s annual written notice under this subdivision to inform the parent of the parent’s right to withdraw consent for the district to disclose information in a child’s record about the health-related services the district provided to the child, including consent that the parent gave as part of an application process for any public assistance program that may result in the parent being eligible for medical assistance or MinnesotaCare. Requires the district to ensure that the parent of a child with disabilities is given notice, in understandable language, of federal and state procedural safeguards available under this paragraph and paragraph (b).  Makes this section effective immediately. |
|  | Use of reimbursements. Allows districts that receive third-party reimbursements to use the payments for individualized education program health-related services the district provides or to help enrolled students with individualized education programs or individual family service plans.  Makes this section effective immediately. |
|  | Informed consent. Makes a technical change that adds a cross reference to a federal regulation.  Makes this section effective immediately. |
|  | District disclosure of information. Allows a school district to disclose information contained in a child’s individualized education program, consistent with state and federal data practices requirements and the consent the parent gave as part of the application for medical assistance or MinnesotaCare.  Makes this section effective immediately. |
|  | Students without a disability from other states. Declares that a school district is not required to provide educational services to a nonresident student without an individualized education program and without a tuition arrangement or agreement from the placing authority to pay the student’s education costs when that student is placed in a Minnesota residential facility.  Makes this section effective July 1, 2011, for fiscal years 2012 and later. |
|  | Admissions. (b) Allows a parent to submit an application for an eligible child with disabilities to the Minnesota Academy for the Deaf or the Minnesota Academy for the Blind for a 60- to 90-day trial placement. Establishes a process for approving the trial placement. Allocates responsibilities between the State Academies and the serving school district during the trial placement. Directs the academy staff to meet with the child’s parent before the trial placement concludes to determine if the academy is an appropriate placement.  Causes the child’s placement to revert to the previous placement if no agreement on placement is reached. Causes the transportation and due process responsibilities to be the same as during the trial placement if the child’s placement continues at the State Academies.  Makes this section effective July 1, 2011. |
|  | Definitions. Eliminates the regular special education growth factor effective for revenue for fiscal year 2012 and later. |
|  | Definitions. Eliminates the special education excess cost growth factor effective for revenue for fiscal year 2012 and later. |
|  | Open enrollment and streamlined application and enrollment process. (f) Directs the human services commissioner, after consulting with the education commissioner, to include on all Minnesota health care program application forms, as the forms are revised or replaced, an authorization for consent from the parent of a child receiving health-related services through an individualized education program or individual family service plan to allow the district or other provider of covered services to be reimbursed by medical assistance or MinnesotaCare. Requires the authorization for consent to conform to federal data practices law and indicate that the parent may withdraw consent for the district or other provider to access information in the child’s education record without any consequence to the parent or child.  Makes this section effective July 1, 2011. |
|  | Third-party billing. (a) To allow cost-effective billing of medical assistance for covered services that are not otherwise reimbursed by legally liable third-party private payers, directs the human services commissioner to: (1) summarize and document district efforts to secure the reimbursement; and (2) request initial and continuing federal waivers of the requirement to seek payment from a child’s private health plan based on a determination by the Centers for Medicare and Medicaid Services that this requirement is not cost effective. Requires the waiver request to seek permission for the human services commissioner to allow school districts to bill Medicaid alone, without first billing private payers when a child has public and private coverage.  (b) Declares that if the Centers for Medicare and Medicaid Services do not grant ongoing permission to waive the requirement to first seek payment from a child’s private health plan, then the commissioner of human services must seek permission to waive the requirement on a time-limited basis with an opportunity to renew the permission as-needed.  Makes this section effective July 1, 2011. |
|  | Appropriations. See attached fiscal worksheet for details. |
|  | Revisor’s instruction. Directs the revisor to substitute “individualized education program” for “individual education plan” everywhere it appears in statute to conform with federal special education law. |
| Article 4: Facilities and Technology | |
|  | Debt service appropriation. Modifies the fixed standing appropriation for debt service equalization aid to match forecast amounts and to adjust for changes in the school district aid payment shift. |
|  | Levy authorized. Eliminates alternative facilities aid for fiscal years 2013 and later. |
|  | To lease building or land. Authorizes the school districts that are members of TIES to levy their proportionate shares of an amount not to exceed a total of $632,000 per year for the next 11 years to finance improvements at the TIES facility. |
|  | Early repayment. Authorizes a school district that received a capital loan prior to January 1, 1997, to repay the full outstanding original principal on its capital loan prior to July 1, 2012, and satisfy and discharge its maximum effort capital loan obligation to the state of Minnesota. |
|  | Appropriations. See attached fiscal worksheet for details. |
|  | Repealer. Repeals alternative facilities aid effective for fiscal year 2013 and later. |

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| Article 5: Nutrition and Accounting | |
|  | Additional revenues; priority. Clarifies the reference to the property tax recognition shift for purposes of repaying school shifts in the event of a state general fund surplus. |
|  | Levy recognition. Switches the calculation for the property tax recognition shift from net school levies to gross school levies (prior to the application of state-paid property tax credits). |
|  | Aid reduction; levy revenue recognition change. Requires the commissioner to schedule the timing of certain property tax shift reductions as close to the end of the fiscal year as possible. |
|  | Definitions. Keeps the school aid payment percentage at 70 for fiscal years 2012 and 2013. Restores the aid payment percentage to 90 for fiscal years 2014 and later. |
|  | Levy aid recognition timing. Requires the commissioner of education to schedule the aid adjustment for fiscal year 2011 attributable to the certain exclusions for the October 30, 2011 payment. |
|  | Fund transfer; fiscal years 2012 and 2013. Authorizes a school district to transfer any money from one fund or account to another in fiscal years 2012 and 2013 as long as the transfer does not increase state aid obligations or increase local property taxes. Excludes transfers from the community service fund or the food service fund. Allows a school board to approve a fund transfer only after the board adopts a resolution stating that the transfer will not diminish instructional opportunities for students. |
|  | Appropriations. See attached fiscal worksheet for details. |
|  | Repealer. Repeals the state’s ability to delay school aid payments in lieu of state short-term borrowing. |
| Article 6: Libraries | |
|  | Appropriations. Appropriates base budget amounts for fiscal years 2012 and 2013. See fiscal worksheet for details. |
| Article 7: Early Childhood Education | |
|  | Definitions. Creates § 119C.01. Provides definitions of the terms “commissioner,” “eligible program,” “income,” “Parent Aware,” “Parent Aware Plus regions,” “Parent Aware region,” and “rated program.” Makes this section effective the day following final enactment. |
|  | Parent Aware. Creates § 119C.02.  Subd. 1. Department of Education; request for proposal. Requires the Department of Education to develop a request for proposal for an organization to develop the Parent Aware quality improvement and rating system. Requires the commissioner to consult with the Minnesota Early Learning Foundation to design the request for proposal. Specifies eligible responder organizations. Specifies timelines for the request for proposal and contract. Specifies that the Minnesota Early Learning Foundation is not an eligible responder.  Subd. 2. Criteria; measure. Requires Parent Aware to use quality ratings shown to be linked to improving children’s school readiness outcomes and requires program evaluation of certain minimum components.  Subd. 3. Rated programs. Requires the contract entity to submit a list of rated programs to the commissioner at least twice each year. Specifies that the list of rated programs serves as the commissioner’s rating and the commissioner’s decision is final.  Subd. 4. Evaluation. Requires the commissioner to contract with an independent private organization to evaluate the Parent Aware quality rating system if sufficient private funding is available. Specifies the information that must be included in the evaluation. Requires the commissioner to make available to the independent private organization any data requested by the organization consistent with government data practices and at no cost to the organization. |
|  | Selection process for Parent Aware regions. Aligns Parent Aware regions with the state’s economic development regions. Creates a process to select new Parent Aware regions, and lists application criteria. Sets the timeline for approving new Parent Aware regions. Requires the commissioner to designate Parent Aware plus regions when a sufficient number of programs are rated. |
|  | Early childhood education scholarships. Creates § 119C.04.  Subd. 1. Early childhood education scholarship locations. Requires the commissioner to make scholarships available in the Parent Aware Plus regions in fiscal year 2012 and later. Requires the commissioner to establish additional locations where early childhood education scholarships may be used to pay for services provided by rated programs in fiscal year 2013 and later. Requires the additional early childhood education scholarship locations to be located in Parent Aware Plus regions. Allows the commissioner to assign certain duties to approved Parent Aware Plus regions.  Subd. 2. Scholarship eligibility. Specifies the eligibility requirements of parents and children for the early childhood education scholarships.  Subd. 3. Eligibility determination. Requires the commissioner to develop a simple application process that families may use to apply for early childhood education scholarships.  Subd. 4. Scholarship value. Makes early childhood education scholarships equal to $4,000 each year for each eligible child for fiscal year 2012 and later.  Subd. 5. Scholarship use. Specifies how and when families must use the early childhood education scholarships.  Subd. 6. Quality standard; transition. Specifies the programs that are eligible to receive early childhood education scholarships. Requires eligible programs to agree to accept early childhood education scholarships to pay for services.  Subd. 7. Redeeming a scholarship. Requires a rated program that has received an early childhood education scholarship on behalf of an eligible child to pay for services must remit the scholarship in a manner determined by the commissioner. Requires the commissioner to pay rated programs the value of the early childhood education scholarship within 30 days of receiving the scholarship from the program. Requires the commissioner to determine a method for paying rated programs if a parent or legal guardian has divided or reduced a scholarship.  Subd. 8. Earned income calculation. Prohibits scholarships paid to providers on behalf of eligible parents from being counted as earned income for the purposes of MA, MinnesotaCare, MFIP, DWP, child care assistance, or Head Start programs. Prohibits scholarships paid to providers on behalf of eligible parents from being considered child care funds for the purposes of the child care assistance programs.  Makes this section effective the days following final enactment. |
|  | School readiness application and reporting requirements. Requires school districts to submit school readiness outcomes and program participant demographics to the commissioner of education. Requires the commissioner to annually summarize and report that information to the education committees of the legislature. |
|  | Programmatic streamlining. Requires the commissioner of education, in consultation with the commissioner of human services, to report to the legislative committees with jurisdiction over early childhood education and child care on a framework for incorporating the existing state programs that provide access to early learning and care programming into a single scholarship program that funds access to high quality early learning and care programs for low-income children in Minnesota. Requires the report to identify barriers and impediments to applying federal child care assistance and Head Start program funds in the form of a scholarship. Requires the commissioner to take into consideration efforts for simplifying the application and management procedures for participating families and providers. |
|  | Appropriations. See attached fiscal worksheet for details. |

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| Article 8: Prevention | |
|  | Community Education Director. Allows a school board of a school district with fewer than 10,000 residents, instead of 2,000 residents, to identify a person with a valid Minnesota principal or superintendent license to serve as the community education director. |
|  | Appropriations. See attached fiscal worksheet for details. |
| Article 9: Self-sufficiency and Lifelong Learning | |
|  | State total adult basic education aid. Eliminates the adult basic education aid program growth factor beginning in fiscal year 2012. |
|  | Appropriations. See attached fiscal worksheet for details. |
| Article 10: State Agencies | |
|  | School and student indicators of growth and achievement. Directs the education commissioner to annually report a student’s growth and progress toward grade-level proficiency at that proficiency relates to applicable state standards and the statewide assessments aligned with those standards.  Makes this section effective July 1, 2012, and applicable to growth data beginning in the 2012-2013 school year. |
|  | School performance report card. Includes the number of teachers in each performance effectiveness rating category, by school site, in the data reported on the school performance report card.  Makes this section effective July 1, 2014. |
|  | Probationary period. (a) For teachers generally, directs a school board to issue a three-year employment contract and adopt a plan for a written evaluation of probationary teachers that complies with the teacher evaluation structure. Makes only the first 90 days of a probationary teacher’s first year of employment at will. Strikes language authorizing a school board to renew or not renew a probationary teacher’s contract as it sees fit.  (e) Directs a school board to decide whether or not to renew a probationary classroom teacher’s contract based on the teacher’s professional growth plan, the teacher’s appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.  Makes this section effective for the 2014-2015 school year and later. |
|  | Professional development and mentoring for probationary teachers. (a) For probationary teachers generally, directs a school board and the exclusive representative of the teachers to collaborate in establishing a professional development model for probationary teachers that uses the district’s professional development resources and plans to improve teaching and learning.  Makes this section effective for the 2013-2014 school year and later. |
|  | Termination of contract after probationary period. For teachers generally, declares that a teacher who satisfactorily completes a probationary period has a renewable five-year contract. Requires a teacher’s termination for cause to comply with statutory parameters.  Makes this section effective for the 2014-2015 school year and later. |
|  | Teacher employment. (a) For teachers generally, requires school districts to use a teacher appraisal framework to make informed decisions about teacher development and performance. Requires teachers to participate in ongoing professional development to improve teaching and learning throughout the employment term.  (b) Gives a teacher who successfully completes a three-year probationary period a renewable five-year contract. Adjusts the terns and conditions of employment and compensation based on the length of the school year or extended school calendar.  (c) Requires a school board either to continue or terminate a teacher’s employment at the end of each five-year period based on the teacher’s professional growth plan, the teacher’s appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.  Makes this section effective for the 2014-2015 school year and later. |
|  | Professional development and peer coaching for continuing contract teachers. (a) For continuing contract teachers generally, directs a school board and the exclusive representative of the teachers to collaborate in establishing a professional development model for continuing contract teachers that uses the district’s professional development resources and plans to improve teaching and learning.  Makes this section effective for the 2013-2014 school year and later. |
|  | Grounds for termination. For teachers generally, adds teacher ineffectiveness to the grounds for which a school board may terminate a teacher. Prohibits a school board from terminating a teacher for ineffectiveness unless the teacher fails to correct the deficiency within 180 days of receiving notice of the deficiency.  Makes this section effective for the 2014-2015 school year and later. |
|  | Negotiated unrequested leave of absence. Strikes language that prohibits a negotiated unrequested leave of absence plan for teachers generally from including provisions that result in teachers with a provisional license, except a vocational license, exercising seniority or being reinstated.  Makes this section effective for the 2014-2015 school year and later. |
|  | Unrequested leave of absence. (a) For teachers generally, allows a superintendent to exempt from the effects of statutory unrequested leave of absence provisions those teachers who, in the superintendent’s judgment, are able to provide instruction that similarly licensed teachers can not provide or whose subject area license meets unmet district needs for student instruction. Strikes language allowing a school board to place probationary teachers on unrequested leave first in the inverse order of their employment. Also strikes language prohibiting a board from placing continuing contract teachers on unrequested leave while probationary teachers are retained in positions for which the continuing contract teacher is licensed.  (b) Directs teachers to be placed on unrequested leaves in fields in which they are licensed in the following order: (1) teachers rated as needs improvement or ineffective in the inverse order of their employment; (2) teachers rated as average with four years or more of teaching experience in the inverse order of their employment; (3) teachers rated as effective in the inverse order of their employment; (4) teachers rated as highly effective in the inverse order of their employment; (5) teachers rated as distinguished in the inverse order of their employment; and (6) teachers rated as exemplary in the inverse order of their employment.  (c) Allows the order for placing teachers on unrequested leave to be negotiated in cases of equal seniority under any clause (1) to (6) under paragraph (b). Strikes language prohibiting a provisionally licensed teacher, except a teacher with a vocational license, from exercising seniority except with respect to another provisionally licensed teacher.  (d) Allows a district to retain a teacher with a lower designated status or less seniority as part of an affirmative action program.  (e) Strikes language prohibiting the reinstatement of a provisionally licensed teacher while another continuing contract teacher who holds a license in the same field remains on unrequested leave.  (h) Indicates that a teacher placed on unrequested leave who is not reinstated continues until the teacher’s five-year contract expires.  Makes this section effective for the 2014-2015 school year and later. |
|  | Probationary period; discharge or demotion. (a) For teachers in first class city school districts, directs a school board to issue a three-year employment contract and adopt a plan for a written evaluation of probationary teachers that complies with the teacher evaluation structure. Makes only the first 90 days of a probationary teacher’s first year of employment at will. Strikes language authorizing a school board to renew or not renew a probationary teacher’s contract as it sees fit.  (d) Directs a school board to decide whether or not to renew a probationary classroom teacher’s contract based on the teacher’s professional growth plan, the teacher’s appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.  Makes this section effective for the 2014-2015 school year and later. |
|  | Professional development and mentoring for probationary teachers. (a) For probationary teachers in first class city school districts, directs a school board and the exclusive representative of the teachers to collaborate in establishing a professional development model for probationary teachers that uses the district’s professional development resources and plans to improve teaching and learning.  Makes this section effective for the 2013-2014 school year and later. |
|  | Teacher employment. (a) For teachers in first class city school districts, requires school districts to use a teacher appraisal framework to make informed decisions about teacher development and performance. Requires teachers to participate in ongoing professional development to improve teaching and learning throughout the employment term.  (b) Gives a teacher who successfully completes a three-year probationary period a renewable five-year contract. Adjusts the terms and conditions of employment and compensation based on the length of the school year or extended school calendar.  (e) Requires a school board either to continue or terminate a teacher’s employment at the end of each five-year period based on the teacher’s professional growth plan, the teacher’s appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.  Makes this section effective for the 2014-2015 school year and later. |
|  | Professional development and peer coaching for continuing contract teachers. (a) For continuing contract teachers in first class city school districts, directs a school board and the exclusive representative of the teachers to collaborate in establishing a professional development model for continuing contract teachers that uses the district’s professional development resources and plans to improve teaching and learning.  Makes this section effective for the 2013-2014 school year and later. |
|  | Grounds for discharge or demotion. For teachers in first class city school districts, adds teacher ineffectiveness to the grounds for which a school board may discharge or demote a teacher. Indicates that teacher ineffectiveness is distinct from inefficiency in teaching as a grounds for discharge. Prohibits a school board from discharging a teacher for ineffectiveness unless the teacher fails to correct the deficiency within 180 days of receiving notice of the deficiency.  Makes this section effective for the 2014-2015 school year and later. |
|  | Services terminated by discontinuance or lack of pupils; preference given. Establishes an order for discontinuing teachers in a first class city school district if the school board and the exclusive representative of the teachers fail to agree to a plan for discontinuing teachers. Causes teachers to be discontinued as follows: (1) teachers rated as needs improvement or ineffective in the inverse order of their employment; (2) teachers rated as average with four or more years of teaching experience in the inverse order of their employment; (3) teachers rated as effective in the inverse order of their employment; (4) teachers rated as highly effective in the inverse order of their employment; (5) teachers rated as distinguished in the inverse order of their employment; and (6) teachers rated as exemplary in the inverse order of their employment. Allows a superintendent to exempt from the effects of this subdivision those teachers who, in the superintendent’s judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction. Strikes language prohibiting: a provisionally licensed teacher, except a teacher with a vocational license, from exercising seniority except with respect to another provisionally licensed teacher; and the reinstatement of a provisionally licensed teacher while another tenured teacher who holds a license in the same field remains on unrequested leave.  Makes this section effective for the 2014-2015 school year and later. |
|  | Teacher evaluations.  Subd. 1. Evaluation structure. Establishes a teacher evaluation structure to provide information about teacher effectiveness for teachers, school districts, and charter schools to use in developing and improving teacher performance and student learning. Lists the three parts of the structure: a teacher appraisal framework that identifies the performance measures for determining teacher effectiveness; a mechanism for translating the performance data into a five-part teacher effectiveness rating scale; and a four-tier status designation that identifies teachers as standard, advanced, distinguished, or exemplary based on a teacher’s effectiveness rating over time.  Subd. 2. Teacher appraisal framework. (a) Directs school districts and charter schools to create and implement a teacher appraisal framework that translates performance measures and scores into five effectiveness rating scores where 5 is the highest rating. Directs the education department, in collaboration with the board of teaching, to make available appraisal frameworks and other evidence-based materials to assist schools and districts in implementing an appraisal framework.  (b) Makes statewide assessment results the basis for 50 percent of a teacher’s total appraisal if such results are available.  (c) If statewide assessment results are unavailable, makes district-wide assessment results of state and local standards the basis for 40 percent of a teacher’s appraisal and makes teacher-developed assessments the basis for another 10 percent of a teacher’s total appraisal.  (d) If district-wide assessment results are unavailable, makes teacher-developed and administrator-approved assessments of state and local standards the basis for 50 percent of a teacher’s total appraisal. Requires school administrators to meet at least annually with teachers to review, modify, and approve local course and grade-level expectations for student achievement and growth.  (e) Directs a charter school board of directors or school board to consult with teachers in identifying the performance measures used as a basis for the other 50 percent of a teacher’s total appraisal. Requires the appraisal to include data from parent surveys and at least two annual evaluations performed by a trained school administrator. Suggests other possible performance measures.  Subd. 3. Teacher performance effectiveness ratings. (a) Beginning in the 2012-2013 school year, requires districts and charter schools to use a five-point scale to indicate a teacher’s performance effectiveness and determine a teacher’s effectiveness designation for each teacher who teaches a subject for which statewide assessment results exist. (1) Rates as highly effective a teacher whose students achieve one and one-half year’s of academic growth on statewide assessments and who receives a 5 performance rating on the district or charter school appraisal framework. (2) Rates as effective a teacher whose students achieve at least one year of academic growth on statewide assessments and who receives a 4 performance rating on the district or charter school appraisal framework. (3) Rates as average a teacher whose students achieve at least .9 years of academic growth on statewide assessments and who receives a 3 performance rating on the district or charter school appraisal framework. (4) Rates as needs improvement a teacher whose students achieve between .5 and .9 years of academic growth on statewide assessments and who receives a 2 or lower performance rating on the district or charter school appraisal framework. (5) Rates as ineffective a teacher whose students achieve less than one-half year’s of academic growth on statewide assessments and who receives a 1 performance rating on the district or charter school appraisal framework. Declares that a teacher who does not meet both the growth and performance rating requirements in any clause (1) to clause (4) receives the next lower effectiveness rating.  (b) Beginning in the 2012-2013 school year, requires districts and charter schools to use a five-point scale to indicate a teacher’s performance effectiveness and determine a teacher’s effectiveness designation for each teacher who teaches a subject for which no statewide assessment results exist. (1) Rates as highly effective a teacher who receives a 5 performance rating on the district or charter school appraisal framework. (2) Rates as effective a teacher who receives a 4 performance rating on the district or charter school appraisal framework. (3) Rates as average a teacher who receives a 3 performance rating on the district or charter school appraisal framework. (4) Rates as needs improvement a teacher who receives a 2 performance rating on the district or charter school appraisal framework. (5) Rates as ineffective a teacher who receives a 1 performance rating on the district or charter school appraisal framework.  Subd. 4. Teacher status designation. (a) Beginning no later than the 2012-2013 school year, directs districts and charter schools to establish a four-tier status designation for identifying teachers’ effectiveness using measures of teacher performance and student learning as they relate to meeting state and local education standards.  (b) Gives a standard designation to a probationary teacher who, during the three-year probationary period, receives at least one average, effective or highly effective rating from the employing district or charter school and meets professional development requirements.  (c) Gives an advanced designation to a licensed teacher who receives an average, effective or highly effective rating in four out of each five-year employment period and meets professional development requirements.  (d) Gives a distinguished rating to a teacher who receives a highly effective rating in three years out of a five-year employment period and meets professional development requirements.  (e) Gives an exemplary rating to a teacher who receives a highly effective rating in seven years during two consecutive five-year employment periods and meets professional development requirements.  (f) Allows a teacher with a distinguished or exemplary rating to retain that designation during the remainder of the five-year period in which the teacher received the designation.  (g) Declares that a teacher who does not meet the requirements for a particular status designation under paragraph (c), (d), or (e) receives the next lower status designation and a teacher who does not meet the requirements for a standard designation has no status designation.  Subd. 5. Data gathering and analysis. Beginning in the 2012-2013 school year, directs the education department, in consultation with the board of teaching, to assist districts and charter schools in collecting and aggregating student data needed to implement this section. Allows the department and a district or charter school to enter into a data sharing agreement where needed. Declares that any data on individual students or teachers that are used to generate summary data under this section are nonpublic data.  Subd. 6. Reports. (a) Beginning in the 2012-2013 school year, directs districts and charter schools to annually report by August 31 information about their teachers’ performance effectiveness ratings and status designations, their teachers’ professional preparation program, their appraisal framework, and their graduation rate.  (b) Beginning February 15, 2014, directs the education department to submit a report annually to the legislature analyzing and evaluating summary data reported under this subdivision to determine the effectiveness of teacher appraisal systems in improving teaching and learning.  (c) Beginning in 2014, directs the department annually by June 30 to submit summary data on teachers’ effectiveness to the Board of Teaching and the Minnesota teacher preparation program or institution responsible for preparing the teachers.  Makes this section effective immediately. |
|  | Alternative teacher compensation revenue for multidistrict integration collaboratives. Removes references to the Perpich Center for Arts Education from the alternative teacher compensation program.  Makes this section effective July 1, 2012. |
|  | Teacher effectiveness-based bonuses. (a) Gives a teacher rated as distinguished an annual 10 percent salary bonus as long as a teacher retains that rating.  (b) Gives a teacher rated as exemplary an annual 20 percent salary bonus as long as the teacher retains that rating.  Makes this section effective July 1, 2019. |
|  | Staff development program.  Subd. 1. Staff development committee. Allows school boards to use staff development revenue for teacher training.  Subd. 1a. Effective staff development activities. Requires staff development activities to be aligned with district and school site staff development plans, based on student achievement and growth data, and focused on student learning goals. Requires staff development activities, among other things, to focus on scientifically-based research strategies, provide opportunities for teachers to receive instructional-based observations using objective standards-based assessments to assist in professional growth, provide job-embedded or integrated professional development opportunities during the teacher-contract day to build instructional strategies to meet students’ learning goals, plan instruction, practice new teaching strategies, review the results of implementing those strategies, provide peer coaching, and align a Q-Comp plan, if applicable, with the teacher evaluation structure.  Subd. 2. Contents of plan. Requires a staff development plan to be based on student achievement and growth and include student learning goals.  Subd. 3. Staff development outcomes. Requires the advisory committee to adopt a staff development plan increasing teacher effectiveness and student learning. Requires the plan to include staff development activities that improve student achievement of state and local academic standards through the use of benchmark assessments aligned with academic standards and collaboration, mentorship and coaching for teachers in their first five years of teaching.  Subd. 4. Staff development report. Requires a staff development report to be submitted to the education commissioner by October 1 instead of October 15.  Makes this section effective for the 2013-2014 school year and later. |
|  | Staff development revenue.  Subd. 1. Staff development revenue. Requires a district to reserve two percent of its basic revenue for education programs with the primary purpose of creating and implementing staff development plans and also allows funds to be used to support challenging instructional activities and experiences. Strikes language allocating 50 percent of reserved staff development revenue to the school site and allowing the remaining revenue to be used for district-wide staff development efforts and best practices grants to school sites. Also strikes language allowing the funds to be used for: curriculum development and programs, other in-service education, teachers’ workshops, teachers’ conferences, and the cost of substitute teachers for staff development purposes; curriculum development and programs, other in-service education, teachers’ workshops, teachers’ conferences, the cost of substitute teachers for staff development purposes and other staff development activities determined by the site team.  Makes this section effective for the 2013-2014 school year and later. |
|  | School administrator development. Directs a school board and district administrators to collaboratively establish a professional development model that uses the district’s available professional development resources and plans to improve teaching and learning by supporting administrators in shaping the school’s professional environment and developing teacher quality, performance, and effectiveness. Requires that the model: support and improve administrators’ instructional leadership; provide professional development that emphasizes improved teaching and learning and a collaborative professional culture; recommend appropriate professional development opportunities for principals that support administrator’s leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction; and use various evaluation components targeted at identifying a school’s systemic strengths and weaknesses and those of administrators in exercising leadership in pursuit of school success. Declares that this section is intended to provide districts with sufficient flexibility to meet district needs and goals.  Makes this section effective July 1, 2012. |
|  | Duties. Prohibits a school board from entering into an agreement that limits a superintendent’s ability to assign and reassign teachers or administrators to schools within the district to best meet student and school needs as determined by the superintendent. |
|  | Contract; duties. Allows a school superintendent to assign teachers rated as highly effective, exemplary, and distinguished to schools to best meet student and school needs as determined by the superintendent. |
|  | Perpich Center for Arts Education. Creates statutory authority for the Perpich Center to be re-established as a charter school. Requires the Perpich Center to seek a charter school authorizer, and if one cannot be found, requires the Department of Education to sponsor the school until an authorizer can be found.  Makes this section effective July 1, 2012. |
|  | Dissolution of Perpich Center for Arts Education. Dissolves the Perpich Center for Arts Education. Transfers the Perpich Center’s records to the Department of Education. Transfers oversight of the facility to the Department of Administration and gives the Perpich School, if it organizes as a charter school, right of first refusal for the existing space in Golden Valley.  Makes this section effective July 1, 2012. |
|  | Appraisal implementation timeline. Directs districts and charter schools to implement the teacher appraisal framework as follows: develop an appraisal framework and data collection system in the 2011-2012 school year; implement an appraisal framework and data collection system as a pilot program in the 2012-2013 school; and fully implement the appraisal framework and data collection system in the 2013-2014 school year.  Makes this section effective immediately. |
|  | Effect of teacher diversity on student achievement. (a) Directs the education commissioner to report on the impact that a culturally, racially, and ethnically diverse teaching faculty has on the educational outcomes of minority students. Requires the study to control for the level of teachers’ effectiveness.  (b) Directs the education commissioner to report on school district practices for recruiting a culturally, racially, and ethnically diverse teaching faculty.  (c) Directs the commissioner to submit the reports to the legislature by February 1, 2015.  Makes this section effective July 1, 2013. Prohibits the study under paragraph (a) from beginning before the 2013-2014 school year. |
|  | Advisory task force on implementing a teacher evaluation structure. Directs the education commissioner to convene an 11-member advisory task force to make recommendations on implementing the state’s teacher evaluation structure. Includes as task force members representatives from the Minnesota Chamber of Commerce, the Minnesota Business Partnership, the Minnesota Assessment Group, the Minnesota Association of School Administrators, the Minnesota Elementary and Secondary School Principals Association, Education Minnesota, the Minnesota Association of Charter Schools, the Minnesota School Boards Association, and parents. Directs the commissioner or the commissioner’s designee to serve as a nonvoting task force member and to provide technical assistance upon request. Directs task force members to review the statutory sections that compose this act and to recommend changes needed to fully implement the teacher evaluation structure. Directs the commissioner to report the task force recommendations to the legislature by February 15, 2012. Cause the task force to expire on June 1, 2012.  Makes this section immediately effective. |
|  | **Appropriations; Department of Education.**  See fiscal worksheet. |
|  | **Appropriation; Minnesota State Academies.**  See fiscal worksheet. |
|  | **Appropriations; Perpich Center for Arts Education.** Appropriates an unspecified amount of money in fiscal years 2012 and 2013 to the commissioner of education for purposes of making the final payments necessary to close the Perpich Center for Arts Education. |
|  | Repealer. Repeals on July 1, 2011, the statutes that establish and govern the Perpich Center for Arts Education. |