

15.1 ARTICLE 2  
15.2 EDUCATION EXCELLENCE

15.3 Section 1. Minnesota Statutes 2010, section 120A.22, subdivision 2, is amended to  
15.4 read:

15.5 Subd. 2. **Applicability.** This section and sections 120A.24; 120A.26; ~~120A.28;~~  
15.6 120A.30; 120A.32; and 120A.34 apply only to a child required to receive instruction  
15.7 according to subdivision 5 and to instruction that is intended to fulfill that requirement.

**NOTE: SECTIONS 2 AND 3 MOVED TO ARTICLE 1**

17.19 Sec. 4. Minnesota Statutes 2011 Supplement, section 120B.12, subdivision 2, is  
17.20 amended to read:

17.21 Subd. 2. **Identification; report.** For the 2011-2012 school year and later, each  
17.22 school district shall identify before the end of kindergarten, grade 1, and grade 2 students  
17.23 who are not reading at grade level before the end of the current school year. Reading  
17.24 assessments must identify and evaluate students' areas of academic need related to  
17.25 literacy. The district must use a locally adopted assessment and annually report summary  
17.26 assessment results to the commissioner by ~~June~~ July 1.

17.27 Sec. 5. Minnesota Statutes 2010, section 120B.13, subdivision 1, is amended to read:

17.28 Subdivision 1. **Program structure; training programs for teachers.** ~~(a) The~~  
17.29 ~~advanced placement and international baccalaureate programs are well-established~~  
17.30 ~~academic programs for mature, academically directed high school students. These~~  
17.31 ~~programs, in addition to providing academic rigor, offer sound curricular design,~~  
17.32 ~~accountability, comprehensive external assessment, feedback to students and teachers,~~  
17.33 ~~and the opportunity for high school students to compete academically on a global level.~~  
17.34 ~~Advanced placement and international baccalaureate programs allow students to leave~~  
18.1 ~~high school with the academic skills and self-confidence to succeed in college and~~  
18.2 ~~beyond. The advanced placement and international baccalaureate programs help provide~~  
18.3 ~~Minnesota students with world-class educational opportunity.~~

18.4 ~~(b)~~ Critical to schools' educational success is ongoing advanced  
 18.5 placement/international baccalaureate-approved teacher training. A secondary teacher  
 18.6 assigned by a district to teach an advanced placement or international baccalaureate course  
 18.7 or other interested educator may participate in a training program offered by The College  
 18.8 Board or International Baccalaureate North America, Inc. The state may pay a portion  
 18.9 of the tuition, room, board, and out-of-state travel costs a teacher or other interested  
 18.10 educator incurs in participating in a training program. The commissioner shall determine  
 18.11 application procedures and deadlines, select teachers and other interested educators to  
 18.12 participate in the training program, and determine the payment process and amount of the  
 18.13 subsidy. The procedures determined by the commissioner shall, to the extent possible,  
 18.14 ensure that advanced placement and international baccalaureate courses become available  
 18.15 in all parts of the state and that a variety of course offerings are available in school districts.  
 18.16 This subdivision does not prevent teacher or other interested educator participation in  
 18.17 training programs offered by The College Board or International Baccalaureate North  
 18.18 America, Inc., when tuition is paid by a source other than the state.

18.19 Sec. 6. Minnesota Statutes 2011 Supplement, section 120B.30, subdivision 1, is  
 18.20 amended to read:

18.21 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts  
 18.22 with appropriate technical qualifications and experience and stakeholders, consistent with  
 18.23 subdivision 1a, shall include in the comprehensive assessment system, for each grade  
 18.24 level to be tested, state-constructed tests developed from and aligned with the state's  
 18.25 required academic standards under section 120B.021, include multiple choice questions,  
 18.26 and be administered annually to all students in grades 3 through 8. State-developed high  
 18.27 school tests aligned with the state's required academic standards under section 120B.021  
 18.28 and administered to all high school students in a subject other than writing must include  
 18.29 multiple choice questions. The commissioner shall establish one or more months during  
 18.30 which schools shall administer the tests to students each school year. For students enrolled  
 18.31 in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading,  
 18.32 mathematics, and writing shall fulfill students' basic skills testing requirements for a  
 18.33 passing state notation. The passing scores of basic skills tests in reading and mathematics  
 18.34 are the equivalent of 75 percent correct for students entering grade 9 based on the  
 18.35 first uniform test administered in February 1998. Students who have not successfully  
 19.1 passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass  
 19.2 the graduation-required assessments for diploma under paragraph (c), except that for  
 19.3 the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's  
 19.4 graduation test requirement for math by complying with paragraph (d), clauses (1) and (3).

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

19.7 (1) mathematics;

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

- 19.9 (ii) high school level beginning in the 2013-2014 school year;
- 19.10 (2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012  
19.11 school year; and
- 19.12 (3) language arts and reading; grades 3 through 8 and high school level beginning in  
19.13 the 2012-2013 school year.
- 19.14 (c) For students enrolled in grade 8 in the 2005-2006 school year and later, only the  
19.15 following options shall fulfill students' state graduation test requirements:
- 19.16 (1) for reading and mathematics:
- 19.17 (i) obtaining an achievement level equivalent to or greater than proficient as  
19.18 determined through a standard setting process on the Minnesota comprehensive  
19.19 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing  
19.20 score as determined through a standard setting process on the graduation-required  
19.21 assessment for diploma in grade 10 for reading and grade 11 for mathematics or  
19.22 subsequent retests;
- 19.23 (ii) achieving a passing score as determined through a standard setting process on the  
19.24 state-identified language proficiency test in reading and the mathematics test for English  
19.25 language learners or the graduation-required assessment for diploma equivalent of those  
19.26 assessments for students designated as English language learners;
- 19.27 (iii) achieving an individual passing score on the graduation-required assessment for  
19.28 diploma as determined by appropriate state guidelines for students with an individualized  
19.29 education program or 504 plan;
- 19.30 (iv) obtaining achievement level equivalent to or greater than proficient as  
19.31 determined through a standard setting process on the state-identified alternate assessment  
19.32 or assessments in grade 10 for reading and grade 11 for mathematics for students with  
19.33 an individualized education program; or
- 19.34 (v) achieving an individual passing score on the state-identified alternate assessment  
19.35 or assessments as determined by appropriate state guidelines for students with an  
19.36 individualized education program; and
- 20.1 (2) for writing:
- 20.2 (i) achieving a passing score on the graduation-required assessment for diploma;
- 20.3 (ii) achieving a passing score as determined through a standard setting process on  
20.4 the state-identified language proficiency test in writing for students designated as English  
20.5 language learners;
- 20.6 (iii) achieving an individual passing score on the graduation-required assessment for  
20.7 diploma as determined by appropriate state guidelines for students with an individualized  
20.8 education program or 504 plan; or

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

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

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

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

20.19 (3) fully participate in at least two retests of the mathematics GRAD test or until  
20.20 they pass the mathematics GRAD test, whichever comes first. A school, district, or charter  
20.21 school must place on the high school transcript a student's current pass status for each  
20.22 subject that has a required graduation assessment.

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

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

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

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

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

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

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

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

4.17 Sec. 5. Minnesota Statutes 2011 Supplement, section 120B.36, subdivision 1, is  
 4.18 amended to read:

4.19 Subdivision 1. **School performance report cards.** (a) The commissioner  
 4.20 shall report student academic performance under section 120B.35, subdivision 2; the  
 4.21 percentages of students showing low, medium, and high growth under section 120B.35,  
 4.22 subdivision 3, paragraph (b); school safety and student engagement and connection  
 4.23 under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section  
 4.24 120B.35, subdivision 3, paragraph (c); two separate student-to-teacher ratios that clearly  
 4.25 indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for  
 4.26 purposes of determining these ratios; staff characteristics excluding salaries; student  
 4.27 enrollment demographics; district mobility; and extracurricular activities. The report also  
 4.28 must indicate a school's adequate yearly progress status, and must not set any designations  
 4.29 applicable to high- and low-performing schools due solely to adequate yearly progress  
 4.30 status. For purposes of accurately reporting performance data under this section, the  
 4.31 commissioner and district and school personnel must ensure that each administration of a  
 4.32 statewide assessment provide eligible students with disabilities with all accommodations  
 4.33 required by law, including auxiliary aids to ensure effective communication, so that these  
 4.34 students have equal access to and benefit from the assessment.

5.1 (b) The commissioner shall develop, annually update, and post on the department  
 5.2 Web site school performance report cards as described in paragraph (f).

5.3 (c) The commissioner must make available performance report cards by the  
 5.4 beginning of each school year.

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

5.8 (e) School performance report card data are nonpublic data under section 13.02,  
 5.9 subdivision 9, until the commissioner publicly releases the data. The commissioner shall  
 5.10 annually post school performance report cards to the department's public Web site no later  
 5.11 than September 1, except that in years when the report card reflects new performance  
 5.12 standards, the commissioner shall post the school performance report cards no later than  
 5.13 October 1.

5.14 (f) The commissioner, for each school district and each school required to report  
 5.15 under this subdivision, must at least:

5.16 (1) title the commissioner's report "School Performance Report Card";

- 5.17 (2) display all required information on a single, easily accessible and understandable  
 5.18 Web page;
- 5.19 (3) using longitudinal data to display results over time, compare and display  
 5.20 corresponding state and local indicators on student proficiency in reading and math by  
 5.21 grade, school and district value-added ratings, the number and percentage of schools and  
 5.22 districts making or not making adequate yearly progress by student categories, state and  
 5.23 local value-added growth data, a school or district identified for improvement and years  
 5.24 in improvement status, and state and local attendance and graduation rates by student  
 5.25 categories; and
- 5.26 (4) display any accountability measures or ratings required by federal law or a  
 5.27 federally approved waiver of that law.
- 5.28 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and  
 5.29 later.

21.15 Sec. 7. Minnesota Statutes 2011 Supplement, section 122A.40, subdivision 5, is  
 21.16 amended to read:

21.17 Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's  
 21.18 first teaching experience in Minnesota in a single district is deemed to be a probationary  
 21.19 period of employment, and, the probationary period in each district in which the teacher is  
 21.20 thereafter employed shall be one year. The school board must adopt a plan for written  
 21.21 evaluation of teachers during the probationary period that is consistent with subdivision  
 21.22 8. Evaluation must occur at least three times periodically throughout each school year  
 21.23 for a teacher performing services during that school year; the first evaluation must occur  
 21.24 within the first 90 days of teaching service. Days devoted to parent-teacher conferences,  
 21.25 teachers' workshops, and other staff development opportunities and days on which a  
 21.26 teacher is absent from school must not be included in determining the number of school  
 21.27 days on which a teacher performs services. Except as otherwise provided in paragraph (b),  
 21.28 during the probationary period any annual contract with any teacher may or may not be  
 21.29 renewed as the school board shall see fit. However, the board must give any such teacher  
 21.30 whose contract it declines to renew for the following school year written notice to that  
 21.31 effect before ~~June~~ July 1. If the teacher requests reasons for any nonrenewal of a teaching  
 21.32 contract, the board must give the teacher its reason in writing, including a statement  
 21.33 that appropriate supervision was furnished describing the nature and the extent of such  
 21.34 supervision furnished the teacher during the employment by the board, within ten days  
 21.35 after receiving such request. The school board may, after a hearing held upon due notice,  
 22.1 discharge a teacher during the probationary period for cause, effective immediately,  
 22.2 under section 122A.44.

22.3 (b) A board must discharge a probationary teacher, effective immediately, upon  
 22.4 receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's  
 22.5 license has been revoked due to a conviction for child abuse or sexual abuse.

22.6 (c) A probationary teacher whose first three years of consecutive employment are  
 22.7 interrupted for active military service and who promptly resumes teaching consistent with  
 22.8 federal reemployment timelines for uniformed service personnel under United States  
 22.9 Code, title 38, section 4312(e), is considered to have a consecutive teaching experience  
 22.10 for purposes of paragraph (a).

22.11 (d) A probationary teacher must complete at least 120 days of teaching service each  
 22.12 year during the probationary period. Days devoted to parent-teacher conferences, teachers'  
 22.13 workshops, and other staff development opportunities and days on which a teacher is  
 22.14 absent from school do not count as days of teaching service under this paragraph.

22.15 **EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and  
 22.16 later.

## H0329-2

1.7 Section 1. **[123B.022] PROHIBITIONS ON POLITICAL ACTIVITIES BY**  
 1.8 **PUBLIC SCHOOL EMPLOYEES.**

1.9 Local school boards shall develop and implement policies to ensure that publicly  
 1.10 funded resources, including but not limited to time, materials, equipment, facilities, and  
 1.11 e-mail and other forms of technology used to communicate are not used or authorized  
 1.12 for use by public employees to:

1.13 (1) advocate the election or defeat of any candidate for elective office;

1.14 (2) advocate the passage or defeat of any referendum question; or

1.15 (3) solicit funds for political purposes.

1.16 Such policies shall not prohibit public employees from engaging in political activities  
 1.17 except when they are performing duties assigned to them under their employment contract  
 1.18 with the district or representing their employer in an official capacity.

1.19 Such policies shall not prohibit the use of public funds for disseminating factual  
 1.20 information about a proposition appearing on a local ballot, if such information is factual  
 1.21 and does not advocate for or against the proposition.

1.22 All school districts must make these policies readily accessible to the public in paper  
 1.23 copy at the district office or on the district Web site.

22.17 Sec. 8. **[123B.022] PROHIBITIONS ON POLITICAL ACTIVITIES BY PUBLIC**  
 22.18 **SCHOOL EMPLOYEES.**

22.19 Local school boards shall develop and implement policies to ensure that publicly  
 22.20 funded resources, including, but not limited to, time, materials, equipment, facilities, and  
 22.21 e-mail and other forms of technology used to communicate are not used or authorized  
 22.22 for use by public employees to:

22.23 (1) advocate the election or defeat of any candidate for elective office;

22.24 (2) advocate the passage or defeat of any referendum question; or

22.25 (3) solicit funds for political purposes.

22.26 The policy also must define appropriate use and times of use of all computers at a  
 22.27 school site with Internet access available for employee use.

22.28 Such policies shall not prohibit the use of public funds for disseminating factual  
 22.29 information about a proposition appearing on a local ballot, if such information is factual  
 22.30 and does not advocate for or against the proposition.

22.31 All school districts must make these policies readily accessible to the public.

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

22.32 EFFECTIVE DATE. This section is effective six months following final enactment.

23.1 Sec. 9. Minnesota Statutes 2010, section 123B.04, is amended to read:

23.2 **123B.04 SITE DECISION-MAKING; INDIVIDUALIZED LEARNING**

23.3 **AGREEMENT; OTHER AGREEMENTS.**

23.4 Subdivision 1. **Definition.** "Education site" means a separate facility. A program

23.5 within a facility or within a district is an education site if the school board recognizes it

23.6 as a site.

23.7 Subd. 1a. **Individualized learning and instruction; improved student**

23.8 **achievement.** To promote individualized learning and instruction and improve student

23.9 achievement under subdivisions 4 and 4a, a participating school board under this section

23.10 must consider how to:

23.11 (1) assist a school site to adapt instruction to the needs and aptitudes of individual

23.12 students, and establish goals and standards for individual students in addition to the state

23.13 academic standards applicable to all students;

23.14 (2) coordinate the pace of instruction and learning with the needs and aptitudes of

23.15 individual students at a school site;

23.16 (3) provide useful data and assist with research in developing and improving

23.17 innovative, cost-effective, research-based individualized learning, instruction, and

23.18 assessment under this section and section 124D.10;

23.19 (4) demonstrate and help evaluate instructional alternatives to age-based grade

23.20 progression;

23.21 (5) more effectively motivate students and teachers; and

23.22 (6) expand use of learning technology to support individualized learning, instruction,

23.23 assessment, and achievement.

23.24 Subd. 2. **Agreement.** (a) The school board and a school site may enter into an

23.25 agreement under this section solely to develop and implement an individualized learning

23.26 and achievement contract under subdivision 4.



23.27 ~~(a)~~ (b) Upon the request of 60 percent of the licensed employees of a site or a school  
 23.28 site decision-making team, the school board shall enter into discussions to reach an  
 23.29 agreement concerning the governance, management, or control of the school. A school  
 23.30 site decision-making team may include the school principal, teachers in the school or  
 23.31 their designee, other employees in the school, representatives of pupils in the school, or  
 23.32 other members in the community. A school site decision-making team must include at  
 23.33 least one parent of a pupil in the school. For purposes of formation of a new site, a school  
 23.34 site decision-making team may be a team of teachers that is recognized by the board as  
 23.35 a site. The school site decision-making team shall include the school principal or other  
 23.36 person having general control and supervision of the school. The site decision-making  
 24.1 team must reflect the diversity of the education site. At least one-half of the members  
 24.2 shall be employees of the district, unless an employee is the parent of a student enrolled  
 24.3 in the school site, in which case the employee may elect to serve as a parent member of  
 24.4 the site team.

24.5 ~~(b)~~ (c) School site decision-making agreements must delegate powers, duties, and  
 24.6 broad management responsibilities to site teams and involve staff members, students as  
 24.7 appropriate, and parents in decision making.

24.8 ~~(e)~~ (d) An agreement shall include a statement of powers, duties, responsibilities,  
 24.9 and authority to be delegated to and within the site.

24.10 ~~(d)~~ (e) An agreement may include:

24.11 (1) an achievement contract according to subdivision 4;

24.12 (2) a mechanism to allow principals, a site leadership team, or other persons having  
 24.13 general control and supervision of the school, to make decisions regarding how financial  
 24.14 and personnel resources are best allocated at the site and from whom goods or services  
 24.15 are purchased;

24.16 (3) a mechanism to implement parental involvement programs under section  
 24.17 124D.895 and to provide for effective parental communication and feedback on this  
 24.18 involvement at the site level;

24.19 (4) a provision that would allow the team to determine who is hired into licensed  
 24.20 and nonlicensed positions;

24.21 (5) a provision that would allow teachers to choose the principal or other person  
 24.22 having general control;

24.23 (6) an amount of revenue allocated to the site under subdivision 3; and

24.24 (7) any other powers and duties determined appropriate by the board.

24.25 The school board of the district remains the legal employer under clauses (4) and (5).

24.26 ~~(e)~~ (f) Any powers or duties not delegated to the school site management team in the  
24.27 school site management agreement shall remain with the school board.

24.28 ~~(f)~~ (g) Approved agreements shall be filed with the commissioner. If a school board  
24.29 denies a request or the school site and school board fail to reach an agreement to enter  
24.30 into a school site management agreement, the school board shall provide a copy of the  
24.31 request and the reasons for its denial to the commissioner.

24.32 ~~(g)~~ (h) A site decision-making grant program is established, consistent with this  
24.33 subdivision, to allow sites to implement an agreement that at least:

24.34 (1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable  
24.35 to the students at that site;

25.1 (2) includes a provision, consistent with current law and the collective bargaining  
25.2 agreement in effect, that allows the site team to decide who is selected from within the  
25.3 district for licensed and nonlicensed positions at the site and to make staff assignments  
25.4 in the site; and

25.5 (3) includes a completed performance agreement under subdivision 4.

25.6 The commissioner shall establish the form and manner of the application for a grant  
25.7 and annually, at the end of each fiscal year, report to the house of representatives and  
25.8 senate committees having jurisdiction over education on the progress of the program.

25.9 Subd. 3. **Revenue and cost allocation.** Revenue for a fiscal year received or  
25.10 receivable by the district shall be allocated to education sites based on the agreement  
25.11 between the school board and the site decision-making team. Revenue shall remain  
25.12 allocated to each site until used by the site. The site teams and the board may enter an  
25.13 agreement that permits the district to provide services and retain the revenue required to  
25.14 pay for the services provided. The district remains responsible for legally entering into  
25.15 contracts and expending funds. For the purposes of this subdivision, "allocation" means  
25.16 that the determination of the use of the revenue shall be under the control of the site. The  
25.17 district may charge the accounts of each site the actual costs of goods and services from  
25.18 the general or capital funds attributable to the site.

25.19 Subd. 4. **Achievement contract.** A school board may enter a written education  
 25.20 site achievement contract with each site decision-making team for the purpose of: (1)  
 25.21 setting individualized learning performance expectations and achievement measures and  
 25.22 short- and long-term educational goals for each student at that site, including the goals  
 25.23 for improvement in each area of; (2) recognizing each student's educational needs and  
 25.24 aptitudes and levels of academic attainment, whether on grade level or above or below  
 25.25 grade level, so as to improve student performance through such means as a cost-effective,  
 25.26 research-based formative assessment system designed to promote individualized learning  
 25.27 and assessment; (3) using student performance data to diagnose a student's academic  
 25.28 strengths and weaknesses and indicate to the student's teachers the specific skills and  
 25.29 concepts that need to be introduced to the student and developed through academic  
 25.30 instruction or applied learning, organized by strands within subject areas and linked to  
 25.31 state and local academic standards during the next year, a plan to assist consistent with  
 25.32 the student's short- and long-term educational goals; and (4) assisting the education site  
 25.33 if their progress in achieving student or contract goals are not achieved, and or other  
 25.34 performance expectations and or measures determined agreed to by the board and the site  
 25.35 decision-making team are not realized or implemented.

26.1 Subd. 4a. **Additional site agreements premised on successful achievement**  
 26.2 **contracts.** A school board that enters into a written education achievement contract  
 26.3 with a school site under subdivision 4 where the student performance data at the site  
 26.4 demonstrate at least three consecutive school years of improved student achievement  
 26.5 consistent with the terms of the achievement contract must seek to establish a similar  
 26.6 achievement contract with other school sites in the district.

26.7 Subd. 5. **Commissioner's role.** The commissioner of education, in consultation  
 26.8 with appropriate educational organizations, shall:

26.9 (1) upon request, provide technical support for districts and sites with agreements  
 26.10 under this section;

26.11 (2) conduct and compile research on the effectiveness of site decision making; and

26.12 (3) periodically report on and evaluate the effectiveness of site management  
 26.13 agreements on a statewide basis.

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

26.15 Sec. 10. Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3,  
 26.16 is amended to read:

26.17 Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative,  
 26.18 supervisory, and instructional leadership services, under the supervision of the  
 26.19 superintendent of schools of the district and according to the policies, rules, and  
 26.20 regulations of the school board, for the planning, management, operation, and evaluation  
 26.21 of the education program of the building or buildings to which the principal is assigned.

26.22 (b) To enhance a principal's leadership skills and support and improve teaching  
 26.23 practices, school performance, and student achievement, a district must develop and  
 26.24 implement a performance-based system for annually evaluating school principals assigned  
 26.25 to supervise a school building within the district. The evaluation must be designed  
 26.26 to improve teaching and learning by supporting the principal in shaping the school's  
 26.27 professional environment and developing teacher quality, performance, and effectiveness.  
 26.28 The annual evaluation must:

26.29 (1) support and improve a principal's instructional leadership, organizational  
 26.30 management, and professional development, and strengthen the principal's capacity in the  
 26.31 areas of instruction, supervision, evaluation, and teacher development;

26.32 (2) include formative and summative evaluations;

26.33 (3) be consistent with a principal's job description, a district's long-term plans and  
 26.34 goals, and the principal's own professional multiyear growth plans and goals, all of which  
 27.1 must support the principal's leadership behaviors and practices, rigorous curriculum,  
 27.2 school performance, and high-quality instruction;

27.3 (4) include on-the-job observations and previous evaluations;

27.4 (5) allow surveys to help identify a principal's effectiveness, leadership skills and  
 27.5 processes, and strengths and weaknesses in exercising leadership in pursuit of school  
 27.6 success;

27.7 (6) use longitudinal data on student academic growth as ~~an~~ 35 percent of the  
 27.8 evaluation ~~component~~ and incorporate district achievement goals and targets;

27.9 (7) be linked to professional development that emphasizes improved teaching and  
 27.10 learning, curriculum and instruction, student learning, and a collaborative professional  
 27.11 culture; and

27.12 (8) for principals not meeting standards of professional practice or other criteria  
 27.13 under this subdivision, implement a plan to improve the principal's performance and  
 27.14 specify the procedure and consequence if the principal's performance is not improved.

27.15 The provisions of this paragraph are intended to provide districts with sufficient  
 27.16 flexibility to accommodate district needs and goals related to developing, supporting,  
 27.17 and evaluating principals.

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

**NOTE: SECTION 11 MOVED TO ARTICLE 1**

28.9 Sec. 12. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 3, is  
28.10 amended to read:

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

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

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

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

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

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

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

28.34 (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on  
28.35 Foundations;

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

29.2 (iii) is incorporated in the state of Minnesota and has been operating continuously  
29.3 for at least five years but does not operate a charter school;

29.4 (3) a Minnesota private college, notwithstanding clause (2), that grants two- or  
29.5 four-year degrees and is registered with the Minnesota Office of Higher Education under  
29.6 chapter 136A; community college, state university, or technical college governed by the  
29.7 Board of Trustees of the Minnesota State Colleges and Universities; or the University  
29.8 of Minnesota;

29.9 (4) a nonprofit corporation subject to chapter 317A, described in section 317A.905,  
29.10 and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code  
29.11 of 1986, may authorize one or more charter schools if the charter school has operated  
29.12 for at least three years under a different authorizer and if the nonprofit corporation has  
29.13 existed for at least 25 years; or

29.14 (5) single-purpose authorizers that are charitable, nonsectarian organizations formed  
29.15 under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state  
29.16 of Minnesota whose sole purpose is to charter schools. Eligible organizations interested  
29.17 in being approved as an authorizer under this paragraph must submit a proposal to the  
29.18 commissioner that includes the provisions of paragraph (c) and a five-year financial plan.  
29.19 Such authorizers shall consider and approve applications using the criteria provided in  
29.20 subdivision 4 and shall not limit the applications it solicits, considers, or approves to any  
29.21 single curriculum, learning program, or method.

29.22 (c) An eligible authorizer under this subdivision must apply to the commissioner for  
29.23 approval as an authorizer before submitting any affidavit to the commissioner to charter  
29.24 a school. The application for approval as a charter school authorizer must demonstrate  
29.25 the applicant's ability to implement the procedures and satisfy the criteria for chartering a  
29.26 school under this section. The commissioner must approve or disapprove an application  
29.27 within 45 business days of the application deadline. If the commissioner disapproves  
29.28 the application, the commissioner must notify the applicant of the specific deficiencies  
29.29 in writing and the applicant then has 20 business days to address the deficiencies to the  
29.30 commissioner's satisfaction. After the 20 business days expire, the commissioner has 15  
29.31 business days to make a final decision to approve or disapprove the application. Failing to  
29.32 address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to  
29.33 be an authorizer. The commissioner, in establishing criteria for approval, must consider  
29.34 the applicant's:

29.35 (1) capacity and infrastructure;

29.36 (2) application criteria and process;

30.1 (3) contracting process;

30.2 (4) ongoing oversight and evaluation processes; and

30.3 (5) renewal criteria and processes.

30.4 (d) An applicant must include in its application to the commissioner to be an  
30.5 approved authorizer at least the following:

- 30.6 (1) how chartering schools is a way for the organization to carry out its mission;
- 30.7 (2) a description of the capacity of the organization to serve as an authorizer,
- 30.8 including the personnel who will perform the authorizing duties, their qualifications, the
- 30.9 amount of time they will be assigned to this responsibility, and the financial resources
- 30.10 allocated by the organization to this responsibility;
- 30.11 (3) a description of the application and review process the authorizer will use to
- 30.12 make decisions regarding the granting of charters;
- 30.13 (4) a description of the type of contract it will arrange with the schools it charters
- 30.14 that meets the provisions of subdivision 6;
- 30.15 (5) the process to be used for providing ongoing oversight of the school consistent
- 30.16 with the contract expectations specified in clause (4) that assures that the schools chartered
- 30.17 are complying with both the provisions of applicable law and rules, and with the contract;
- 30.18 (6) a description of the criteria and process the authorizer will use to grant expanded
- 30.19 applications under subdivision 4, paragraph (j);
- 30.20 (7) the process for making decisions regarding the renewal or termination of
- 30.21 the school's charter based on evidence that demonstrates the academic, organizational,
- 30.22 and financial competency of the school, including its success in increasing student
- 30.23 achievement and meeting the goals of the charter school agreement; and
- 30.24 (8) an assurance specifying that the organization is committed to serving as an
- 30.25 authorizer for the full five-year term.
- 30.26 (e) A disapproved applicant under this section may resubmit an application during a
- 30.27 future application period.
- 30.28 (f) If the governing board of an approved authorizer ~~that has chartered multiple~~
- 30.29 ~~schools~~ votes to withdraw as an approved authorizer for a reason unrelated to any
- 30.30 cause under subdivision 23, the authorizer must notify all its chartered schools and the
- 30.31 commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in
- 30.32 the next calendar year. The commissioner may approve the transfer of a charter school
- 30.33 to a new authorizer under this paragraph after the new authorizer submits an affidavit to
- 30.34 the commissioner.
- 30.35 (g) The authorizer must participate in department-approved training.
- 31.1 (h) An authorizer that chartered a school before August 1, 2009, must apply by
- 31.2 June 30, 2012, to the commissioner for approval, under paragraph (c), to continue as an
- 31.3 authorizer under this section. For purposes of this paragraph, an authorizer that fails to
- 31.4 submit a timely application is ineligible to charter a school.

31.5 (i) The commissioner shall review an authorizer's performance every five years in  
 31.6 a manner and form determined by the commissioner and may review an authorizer's  
 31.7 performance more frequently at the commissioner's own initiative or at the request of a  
 31.8 charter school operator, charter school board member, or other interested party. The  
 31.9 commissioner, after completing the review, shall transmit a report with findings to the  
 31.10 authorizer. If, consistent with this section, the commissioner finds that an authorizer has  
 31.11 not fulfilled the requirements of this section, the commissioner may subject the authorizer  
 31.12 to corrective action, which may include terminating the contract with the charter school  
 31.13 board of directors of a school it chartered. The commissioner must notify the authorizer  
 31.14 in writing of any findings that may subject the authorizer to corrective action and  
 31.15 the authorizer then has 15 business days to request an informal hearing before the  
 31.16 commissioner takes corrective action. If the commissioner terminates a contract between  
 31.17 an authorizer and a charter school under this paragraph, the commissioner may assist the  
 31.18 charter school in acquiring a new authorizer.

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

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

31.23 (2) violating a term of the chartering contract between the authorizer and the charter  
 31.24 school board of directors;

31.25 (3) unsatisfactory performance as an approved authorizer; or

31.26 (4) any good cause shown that provides the commissioner a legally sufficient reason  
 31.27 to take corrective action against an authorizer.

31.28 Sec. 13. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 4, is  
 31.29 amended to read:

31.30 Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from  
 31.31 a school developer, may charter a licensed teacher under section 122A.18, subdivision  
 31.32 1, or a group of individuals that includes one or more licensed teachers under section  
 31.33 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the  
 31.34 authorizer's affidavit under paragraph (b). The school must be organized and operated as a  
 32.1 nonprofit corporation under chapter 317A and the provisions under the applicable chapter  
 32.2 shall apply to the school except as provided in this section.

32.3 Notwithstanding sections 465.717 and 465.719, a school district, subject to this  
 32.4 section and section 124D.11, may create a corporation for the purpose of establishing a  
 32.5 charter school.



32.6 (b) Before the operators may establish and operate a school, the authorizer must file  
32.7 an affidavit with the commissioner stating its intent to charter a school. An authorizer  
32.8 must file a separate affidavit for each school it intends to charter. The affidavit must  
32.9 state the terms and conditions under which the authorizer would charter a school and  
32.10 how the authorizer intends to oversee the fiscal and student performance of the charter  
32.11 school and to comply with the terms of the written contract between the authorizer  
32.12 and the charter school board of directors under subdivision 6. The commissioner must  
32.13 approve or disapprove the authorizer's affidavit within 60 business days of receipt of the  
32.14 affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify  
32.15 the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business  
32.16 days to address the deficiencies. If the authorizer does not address deficiencies to the  
32.17 commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain  
32.18 commissioner approval precludes an authorizer from chartering the school that is the  
32.19 subject of this affidavit.

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

32.24 (d) The operators authorized to organize and operate a school, before entering into a  
32.25 contract or other agreement for professional or other services, goods, or facilities, must  
32.26 incorporate as a nonprofit corporation under chapter 317A and must establish a board of  
32.27 directors composed of at least five members who are not related parties until a timely  
32.28 election for members of the ongoing charter school board of directors is held according to  
32.29 the school's articles and bylaws under paragraph (f). A charter school board of directors  
32.30 must be composed of at least five members who are not related parties. Staff members  
32.31 employed at the school, including teachers providing instruction under a contract with a  
32.32 cooperative, and all parents or legal guardians of children enrolled in the school are the  
32.33 voters eligible to elect the members of the school's board of directors. A charter school  
32.34 must notify eligible voters of the school board election dates at least 30 days before the  
32.35 election. Board of director meetings must comply with chapter 13D.

~~33.1 (e) Upon the request of an individual, the charter school must make available~~  
~~33.2 in a timely fashion A charter school shall publish and maintain on the school's official~~  
~~33.3 Web site: (1) the minutes of meetings of the board of directors, and of members and~~  
~~33.4 committees having any board-delegated authority; for at least one calendar year from the~~  
~~33.5 date of publication; (2) directory information for members of the board of directors and~~  
~~33.6 committees having board-delegated authority; and (3) identifying and contact information~~  
~~33.7 for the school's authorizer. Identifying and contact information for the school's authorizer~~  
~~33.8 must be included in other school materials made available to the public. Upon request of~~  
~~33.9 an individual, the charter school must also make available in a timely fashion financial~~  
~~33.10 statements showing all operations and transactions affecting income, surplus, and deficit~~  
~~33.11 during the school's last annual accounting period; and a balance sheet summarizing assets~~  
~~33.12 and liabilities on the closing date of the accounting period. A charter school also must post~~  
~~33.13 on its official Web site information identifying its authorizer and indicate how to contact~~  
~~33.14 that authorizer and include that same information about its authorizer in other school~~  
~~33.15 materials that it makes available to the public.~~

~~33.16 (f) Every charter school board member shall attend department-approved ongoing~~  
~~33.17 training throughout the member's term on board governance, including training on~~  
~~33.18 the board's role and responsibilities, employment policies and practices, and financial~~  
~~33.19 management. A board member who does not begin the required initial training within six~~  
~~33.20 months after being seated and complete that training within 12 months of being seated on~~  
~~33.21 the board is ineligible to continue to serve as a board member. The school shall include in~~  
~~33.22 its annual report the training attended by each board member during the previous year.~~

~~33.23 (g) The ongoing board must be elected before the school completes its third year of~~  
~~33.24 operation. Board elections must be held during the school year but may not be conducted~~  
~~33.25 on days when the school is closed for holidays or vacations. The charter school board of~~  
~~33.26 directors shall be composed of at least five nonrelated members and include: (i) at least one~~  
~~33.27 licensed teacher employed at the school or a licensed teacher providing instruction under~~  
~~33.28 contract between the charter school and a cooperative; (ii) the parent or legal guardian~~  
~~33.29 of a student enrolled in the charter school who is not an employee of the charter school;~~  
~~33.30 and (iii) an interested community member who is not employed by the charter school and~~  
~~33.31 does not have a child enrolled in the school. The board may be a teacher majority board~~  
~~33.32 composed of teachers described in this paragraph. The chief financial officer and the chief~~  
~~33.33 administrator may only serve as ex-officio nonvoting board members and may not serve~~  
~~33.34 as a voting member of the board. Charter school employees shall not serve on the board~~  
~~33.35 unless item (i) applies. Contractors providing facilities, goods, or services to a charter~~  
~~33.36 school shall not serve on the board of directors of the charter school. Board bylaws shall~~  
~~34.1 outline the process and procedures for changing the board's governance model, consistent~~  
~~34.2 with chapter 317A. A board may change its governance model only:~~

~~34.3 (1) by a majority vote of the board of directors and the licensed teachers employed~~  
~~34.4 by the school, including licensed teachers providing instruction under a contract between~~  
~~34.5 the school and a cooperative; and~~

34.6 (2) with the authorizer's approval.

34.7 Any change in board governance must conform with the board structure established  
34.8 under this paragraph.

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

34.11 (i) The granting or renewal of a charter school by an authorizer must not be  
34.12 contingent on the charter school being required to contract, lease, or purchase services  
34.13 from the authorizer. Any potential contract, lease, or purchase of service from an  
34.14 authorizer must be disclosed to the commissioner, accepted through an open bidding  
34.15 process, and be a separate contract from the charter contract. The school must document  
34.16 the open bidding process. An authorizer must not enter into a contract to provide  
34.17 management and financial services for a school that it authorizes, unless the school  
34.18 documents that it received at least two competitive bids.

34.19 (j) An authorizer may permit the board of directors of a charter school to expand  
34.20 the operation of the charter school to additional sites or to add additional grades at the  
34.21 school beyond those described in the authorizer's original affidavit as approved by  
34.22 the commissioner only after submitting a supplemental affidavit for approval to the  
34.23 commissioner in a form and manner prescribed by the commissioner. The supplemental  
34.24 affidavit must document that:

34.25 (1) the proposed expansion plan demonstrates need and projected enrollment;

34.26 (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating  
34.27 students' improved academic performance and growth on statewide assessments under  
34.28 chapter 120B;

34.29 (3) the charter school is financially sound and the financing it needs to implement  
34.30 the proposed expansion exists; and

34.31 (4) the charter school has the governance structure and management capacity to  
34.32 carry out its expansion.

34.33 (k) The commissioner shall have 30 business days to review and comment on the  
34.34 supplemental affidavit. ~~The commissioner shall notify the authorizer of any deficiencies in~~  
34.35 ~~the supplemental affidavit and the authorizer then has 20 business days to address, to the~~  
34.36 ~~commissioner's satisfaction, any deficiencies in the supplemental affidavit. The authorizer~~  
35.1 may not give final approval to the school may not to expand grades or add sites until the  
35.2 commissioner has approved the supplemental affidavit. The commissioner's approval or  
35.3 disapproval of a supplemental affidavit is final. ~~completes the review and comment process.~~

35.4 (l) A charter school operating under this section may merge with another charter  
 35.5 school. The merger must comply with chapter 317A and section 124D.11, subdivision  
 35.6 9, paragraph (g). Upon a formal vote of the board of directors of each charter school  
 35.7 involved and written notice of intent to the authorizer of each school, the schools may  
 35.8 negotiate a merger plan that must include at least the following:

35.9 (1) a merger budget, a multiyear operating budget for the merged charter school, a  
 35.10 long-range financial plan, and a plan for the transfer of assets and liabilities to the merged  
 35.11 charter school;

35.12 (2) a process for transitioning responsibility of governance, administration, and all  
 35.13 operations to the merged charter school;

35.14 (3) a statement of academic, student engagement, and organizational operations  
 35.15 goals for the merged charter school; and

35.16 (4) an agreement between involved authorizers on the authorizing plan for the  
 35.17 merged charter school.

35.18 The approval of the boards of directors of the merging charter schools, the  
 35.19 authorizers of those schools, and the authorizer of the merged charter school is required  
 35.20 to adopt the merger plan. After the merger plan is adopted, the authorizer of the merged  
 35.21 charter school must submit the plan to the commissioner for review and comment. The  
 35.22 commissioner must complete the review and comment of the plan within 30 business days.  
 35.23 The merger may not take effect until the commissioner completes the review and comment.

35.24 Sec. 14. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 6, is  
 35.25 amended to read:

35.26 Subd. 6. **Charter contract.** The authorization for a charter school must be in the  
 35.27 form of a written contract signed by the authorizer and the board of directors of the charter  
 35.28 school. The contract must be completed within 45 business days of the commissioner's  
 35.29 approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a  
 35.30 copy of the signed charter contract within ten business days of its execution. The contract  
 35.31 for a charter school must be in writing and contain at least the following:

35.32 (1) a declaration of the purposes in subdivision 1 that the school intends to carry out  
 35.33 and how the school will report its implementation of those purposes;

35.34 (2) a description of the school program and the specific academic and nonacademic  
 35.35 outcomes that pupils must achieve;

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

36.2 (4) a governance, management, and administration plan for the school;

36.3 (5) signed agreements from charter school board members to comply with all

36.4 federal and state laws governing organizational, programmatic, and financial requirements

36.5 applicable to charter schools;

36.6 (6) the criteria, processes, and procedures that the authorizer will use for ongoing  
36.7 oversight of operational, financial, and academic performance;

36.8 (7) the performance evaluation that is a prerequisite for reviewing a charter contract  
36.9 under subdivision 15;

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

36.12 (9) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold  
36.13 harmless the authorizer and its officers, agents, and employees from any suit, claim,  
36.14 or liability arising from any operation of the charter school, and the commissioner and  
36.15 department officers, agents, and employees notwithstanding section 3.736;

36.16 (10) the term of the initial contract, which may be up to ~~three~~ five years plus an  
36.17 additional preoperational planning year, and up to five years for a renewed contract or a  
36.18 contract with a new authorizer after a transfer of authorizers, if warranted by the school's  
36.19 academic, financial, and operational performance;

36.20 (11) how the board of directors or the operators of the charter school will provide  
36.21 special instruction and services for children with a disability under sections 125A.03  
36.22 to 125A.24, and 125A.65, a description of the financial parameters within which the  
36.23 charter school will operate to provide the special instruction and services to children  
36.24 with a disability;

36.25 (12) the process the authorizer will use for making decisions regarding the renewal,  
36.26 termination, and an appeal process of such termination, of the school's charter based on  
36.27 evidence that demonstrates the academic, organizational, and financial competency of the  
36.28 school, including its success in increasing student achievement and meeting the goals  
36.29 of the charter school agreement;

36.30 (13) a dispute resolution process agreed upon by the authorizer and the charter  
36.31 school that includes at least the following:

36.32 (i) a written notice process to invoke the dispute resolution process and a description  
36.33 of the matter in dispute;

36.34 (ii) a time limit for response; and

36.35 (iii) a process for final resolution of the issue in dispute;

37.1 ~~(12)~~ (14) the process and criteria the authorizer intends to use to monitor and  
37.2 evaluate the fiscal and student performance of the charter school, consistent with  
37.3 subdivision 15; and

37.4 ~~(13)~~ (15) the plan for an orderly closing of the school under chapter 317A, if the  
 37.5 closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract,  
 37.6 and that includes establishing the responsibilities of the school board of directors and the  
 37.7 authorizer and notifying the commissioner, authorizer, school district in which the charter  
 37.8 school is located, and parents of enrolled students about the closure, the transfer of student  
 37.9 records to students' resident districts, and procedures for closing financial operations.

37.10 Sec. 15. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 10,  
 37.11 is amended to read:

37.12 Subd. 10. **Pupil performance.** (a) A charter school must design its programs to  
 37.13 at least meet the outcomes adopted by the commissioner for public school students. In  
 37.14 the absence of the commissioner's requirements, the school must meet the outcomes  
 37.15 contained in the contract with the authorizer. The achievement levels of the outcomes  
 37.16 contained in the contract may exceed the achievement levels of any outcomes adopted by  
 37.17 the commissioner for public school students.

37.18 (b) A charter school where 70 percent or more of enrolled students are eligible to  
 37.19 participate in the graduation incentives program under section 124D.68 is deemed an area  
 37.20 learning center for the purpose of evaluating student and school academic performance  
 37.21 outcomes and determining a school graduation rate.

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

37.23 Sec. 16. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 11,  
 37.24 is amended to read:

37.25 Subd. 11. **Employment and other operating matters.** (a) A charter school must  
 37.26 employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1,  
 37.27 who hold valid licenses to perform the particular service for which they are employed in  
 37.28 the school. The charter school's state aid may be reduced under section 127A.43 if the  
 37.29 school employs a teacher who is not appropriately licensed or approved by the board of  
 37.30 teaching. The school may employ necessary employees who are not required to hold  
 37.31 teaching licenses to perform duties other than teaching and may contract for other services.  
 37.32 The school may discharge teachers and nonlicensed employees. The charter school board  
 37.33 is subject to section 181.932. When offering employment to a prospective employee, a  
 38.1 charter school must give that employee a written description of the terms and conditions  
 38.2 of employment and the school's personnel policies.

38.3 (b) A person, without holding a valid administrator's license, may perform  
 38.4 administrative, supervisory, or instructional leadership duties. The board of directors shall  
 38.5 establish qualifications for persons that hold administrative, supervisory, or instructional  
 38.6 leadership roles. The qualifications shall include at least the following areas: instruction  
 38.7 and assessment; human resource and personnel management; financial management;  
 38.8 legal and compliance management; effective communication; and board, authorizer, and  
 38.9 community relationships. The board of directors shall use those qualifications as the basis  
 38.10 for job descriptions, hiring, and performance evaluations of those who hold administrative,  
 38.11 supervisory, or instructional leadership roles. The board of directors and an individual  
 38.12 who does not hold a valid administrative license and who serves in an administrative,  
 38.13 supervisory, or instructional leadership position shall develop a professional development  
 38.14 plan. Documentation of the implementation of the professional development plan of these  
 38.15 persons shall be included in the school's annual report.

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

38.18 (d) The board of directors shall adopt and implement a performance evaluation  
 38.19 process for all employees of the school. The performance evaluation process for teachers  
 38.20 and administrators must be designed to support and improve pupil learning and student  
 38.21 achievement, instructional leadership, and enhancing school outcomes, and must be linked  
 38.22 to professional development.

38.23 Sec. 17. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 13,  
 38.24 is amended to read:

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

38.28 Sec. 18. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 14,  
 38.29 is amended to read:

38.30 Subd. 14. **Annual public reports.** A charter school must publish an annual report  
 38.31 approved by the board of directors. The annual report must at least include information  
 38.32 on school enrollment, student attrition, governance and management, staffing, finances,  
 38.33 academic performance, operational performance, innovative practices and implementation,  
 38.34 and future plans. A charter school must distribute the annual report by publication, mail,  
 39.1 or electronic means to the ~~commissioner,~~ authorizer, school employees, and parents and  
 39.2 legal guardians of students enrolled in the charter school and must also post the report on  
 39.3 the charter school's official Web site. The reports are public data under chapter 13.

39.4 Sec. 19. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 15,  
 39.5 is amended to read:

39.6 Subd. 15. **Review and comment.** (a) The authorizer shall provide a formal written  
 39.7 evaluation of the school's performance before the authorizer renews the charter contract.  
 39.8 The department must review and comment on the authorizer's evaluation process at the  
 39.9 time the authorizer submits its application for approval and each time the authorizer  
 39.10 undergoes its five-year review under subdivision 3, paragraph (e).

39.11 (b) An authorizer shall monitor and evaluate the fiscal, operational, and student  
 39.12 performance of the school, and may for this purpose annually assess a charter school  
 39.13 a fee according to paragraph (c). The agreed-upon fee structure must be stated in the  
 39.14 charter school contract.

39.15 (c) The fee that each charter school pays to an authorizer each year is the greater of:

39.16 (1) the basic formula allowance for that year; or

39.17 (2) the lesser of:

39.18 (i) the maximum fee factor times the basic formula allowance for that year; or

39.19 (ii) the fee factor times the basic formula allowance for that year times the charter  
 39.20 school's adjusted marginal cost pupil units for that year. The fee factor equals .005 in fiscal  
 39.21 year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013  
 39.22 and later. The maximum fee factor equals 1.5 in fiscal year 2010, 2.0 in fiscal year 2011,  
 39.23 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.

39.24 (d) ~~The department and any charter school it charters must not assess or pay a fee~~  
 39.25 ~~under paragraphs (b) and (c).~~ An authorizer may not assess a fee for any required services  
 39.26 other than as provided in this subdivision.

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

39.29 (f) By September 30 of each year, an authorizer shall submit to the commissioner  
 39.30 a statement of expenditures related to chartering activities during the previous school  
 39.31 year ending June 30. A copy of the statement shall be given to all schools chartered by  
 39.32 the authorizer.

39.33 Sec. 20. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 17a,  
 39.34 is amended to read:

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

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



- 40.7 (1) be incorporated under section 317A ~~and comply with applicable Internal~~  
40.8 ~~Revenue Service regulations;~~
- 40.9 (2) comply with applicable Internal Revenue Service regulations, including  
40.10 regulations for "supporting organizations" as defined by the Internal Revenue Service;
- 40.11 ~~(2)~~ (3) submit to the commissioner each fiscal year a list of current board members  
40.12 and a copy of its annual audit; and
- 40.13 ~~(3)~~ (4) comply with government data practices law under chapter 13.
- 40.14 An affiliated nonprofit building corporation must not serve as the leasing agent for  
40.15 property or facilities it does not own. A charter school that leases a facility from an  
40.16 affiliated nonprofit building corporation that does not own the leased facility is ineligible  
40.17 to receive charter school lease aid. The state is immune from liability resulting from a  
40.18 contract between a charter school and an affiliated nonprofit building corporation.
- 40.19 (c) A charter school may organize an affiliated nonprofit building corporation to  
40.20 renovate or purchase an existing facility to serve as a school if the charter school:
- 40.21 (1) has been operating for at least five consecutive school years;
- 40.22 (2) has had a net positive unreserved general fund balance as of June 30 in the  
40.23 preceding five fiscal years;
- 40.24 (3) has a long-range strategic and financial plan;
- 40.25 (4) completes a feasibility study of available buildings; ~~and~~
- 40.26 (5) documents enrollment projections and the need to use an affiliated building  
40.27 corporation to renovate or purchase an existing facility to serve as a school; and
- 40.28 (6) has a plan for the renovation or purchase, which describes the parameters and  
40.29 budget for the project.
- 40.30 (d) A charter school may organize an affiliated nonprofit building corporation to  
40.31 expand an existing school facility or construct a new school facility if the charter school:
- 40.32 (1) demonstrates the lack of facilities available to serve as a school;
- 40.33 (2) has been operating for at least eight consecutive school years;
- 40.34 (3) has had a net positive unreserved general fund balance as of June 30 in the  
40.35 preceding ~~eight~~ five fiscal years;
- 40.36 (4) completes a feasibility study of facility options;
- 41.1 (5) has a long-range strategic and financial plan that includes enrollment projections  
41.2 and demonstrates the need for constructing a new school facility; and

41.3 (6) has a plan for the expansion or new school facility, which describes the  
41.4 parameters and budget for the project.

41.5 (e) A charter school or an affiliated nonprofit building corporation organized by a  
41.6 charter school must not initiate an installment contract for purchase, or a lease agreement,  
41.7 or solicit bids for new construction, expansion, or remodeling of an educational facility  
41.8 that requires an expenditure in excess of \$1,400,000, unless it meets the criteria in  
41.9 paragraph (b) and paragraph (c) or (d), as applicable, and receives a positive review and  
41.10 comment from the commissioner under section 123B.71.

41.11 Sec. 21. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 23,  
41.12 is amended to read:

41.13 Subd. 23. **Causes for nonrenewal or termination of charter school contract.** (a)  
41.14 The duration of the contract with an authorizer must be for the term contained in the  
41.15 contract according to subdivision 6. The authorizer may or may not renew a contract at  
41.16 the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally  
41.17 terminate a contract during the term of the contract for any ground listed in paragraph (b).  
41.18 At least 60 business days before not renewing or terminating a contract, the authorizer  
41.19 shall notify the board of directors of the charter school of the proposed action in writing.  
41.20 The notice shall state the grounds for the proposed action in reasonable detail and that the  
41.21 charter school's board of directors may request in writing an informal hearing before the  
41.22 authorizer within 15 business days of receiving notice of nonrenewal or termination of  
41.23 the contract. Failure by the board of directors to make a written request for an informal  
41.24 hearing within the 15-business-day period shall be treated as acquiescence to the proposed  
41.25 action. Upon receiving a timely written request for a hearing, the authorizer shall give ten  
41.26 business days' notice to the charter school's board of directors of the hearing date. The  
41.27 authorizer shall conduct an informal hearing before taking final action. The authorizer  
41.28 shall take final action to renew or not renew a contract no later than 20 business days  
41.29 before the proposed date for terminating the contract or the end date of the contract.

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

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

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

41.33 (3) violations of law; or

41.34 (4) other good cause shown.

42.1 If a contract is terminated or not renewed under this paragraph, the school must be

42.2 dissolved according to the applicable provisions of chapter 317A.

42.3 (c) If the authorizer and the charter school board of directors mutually agree to  
 42.4 terminate or not renew the contract, ~~for reasons other than paragraph (b), a change in~~  
 42.5 ~~transfer of~~ authorizers is allowed ~~if the commissioner approves the change to a different~~  
 42.6 ~~eligible authorizer to authorize the charter school. Both parties at the end of the current~~  
 42.7 contract with the consent of the current authorizer and after review and comment of the  
 42.8 commissioner. The school and current authorizer must jointly submit their intent in writing  
 42.9 to the commissioner to mutually terminate the contract. The authorizer that is a party to  
 42.10 the existing contract must inform the proposed authorizer about the fiscal and operational  
 42.11 status ~~and~~ student performance level, and any unresolved issues related to the contract  
 42.12 or oversight of the school. ~~Before the commissioner determines whether to approve a~~  
 42.13 ~~change in authorizer, the proposed authorizer must identify any outstanding issues in the~~  
 42.14 ~~proposed charter contract that were unresolved in the previous charter contract and have~~  
 42.15 ~~the charter school agree to resolve those issues. If no change in authorizer is approved,~~  
 42.16 ~~the school must be dissolved according to applicable law and the terms of the contract.~~  
 42.17 The proposed authorizer must submit to the commissioner a copy of the proposed new  
 42.18 contract for comment and review. The contract must identify all unresolved contract or  
 42.19 oversight issues that exist and include a plan that the charter school and authorizer have  
 42.20 agreed upon to resolve those issues. The commissioner shall have 20 business days to  
 42.21 conduct the review and comment of the contract. The transfer may not go into effect until  
 42.22 the review and comment of the commissioner is completed.

42.23 (d) The commissioner, after providing reasonable notice to the board of directors of  
 42.24 a charter school and the existing authorizer, and after providing an opportunity for a public  
 42.25 hearing, may terminate the existing contract between the authorizer and the charter school  
 42.26 board if the charter school has a history of:

42.27 (1) failure to meet pupil performance requirements consistent with state law;

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

42.30 (3) repeated or major violations of the law.

42.31 Sec. 22. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 25,  
 42.32 is amended to read:

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

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

43.1 (c) The commissioner, an authorizer, members of the board of an authorizer in  
43.2 their official capacity, and employees of an authorizer are immune from civil or criminal  
43.3 liability with respect to all activities related to a charter school they approve or authorize.  
43.4 The board of directors shall obtain at least the amount of and types of insurance up to the  
43.5 applicable tort liability limits under chapter 466. The charter school board must submit  
43.6 a copy of the insurance policy to its authorizer ~~and the commissioner~~ before starting  
43.7 operations. The charter school board must ~~submit~~ notify its authorizer of changes in its  
43.8 insurance carrier or policy ~~to its authorizer and the commissioner~~ amount limits within  
43.9 20 business days of the change.

43.10 (d) Notwithstanding section 3.736, the charter school shall assume full liability for  
43.11 its activities and indemnify and hold harmless the authorizer and its officers, agents, and  
43.12 employees from any suit, claim, or liability arising from any operation of the charter school  
43.13 and the commissioner and department officers, agents, and employees. A charter school  
43.14 is not required to indemnify or hold harmless a state employee if the state would not be  
43.15 required to indemnify and hold the employee harmless under section 3.736, subdivision 9.

43.16 Sec. 23. Minnesota Statutes 2011 Supplement, section 124D.10, is amended by adding  
43.17 a subdivision to read:

43.18 Subd. 27. Collaboration between charter school and school district. (a) A charter  
43.19 school board may voluntarily enter into a two-year, renewable agreement for collaboration  
43.20 to enhance student achievement with a school district within whose geographic boundary  
43.21 it operates.

43.22 (b) A school district need not be an approved authorizer to enter into a collaboration  
43.23 agreement with a charter school. A charter school need not be authorized by the school  
43.24 district with which it seeks to collaborate.

43.25 (c) A charter school authorizer is prohibited from requiring a collaboration agreement  
43.26 as a condition of entering into or renewing a charter contract as defined in subdivision 6.

43.27 (d) Nothing in this subdivision or in the collaboration agreement may impact in any  
43.28 way, the authority or autonomy of the charter school.

43.29 (e) Nothing in this subdivision or in the collaboration agreement shall cause the state  
43.30 to pay twice for the same student, service or facility or otherwise impact state funding, or  
43.31 the flow thereof, to the school district or the charter school.

43.32 (f) The collaboration agreement may include, but need not be limited to,  
43.33 collaboration regarding facilities, transportation, training, student achievement,  
43.34 assessments, mutual performance standards and other areas of mutual agreement.

44.1 (g) The school district shall include the academic performance of the students of a  
44.2 collaborative charter school site operating within the geographic boundaries of the school  
44.3 district, for purposes of student assessment and reporting to the state.

**NOTE: SECTION 24 MOVED TO ARTICLE 1**

45.5 Sec. 25. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 2, is  
45.6 amended to read:

45.7 Subd. 2. **Proficiency aid.** In fiscal year 2013 and later, the proficiency aid for each  
45.8 school is equal to the product of the school's proficiency allowance times the number  
45.9 of third grade pupils at the school on October 1 of the previous fiscal year. A school's  
45.10 proficiency allowance is equal to the percentage of students in each building that meet  
45.11 or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment,  
45.12 averaged across the previous three test administrations, times ~~\$85~~ \$530.

45.13 Sec. 26. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 3, is  
45.14 amended to read:

45.15 Subd. 3. **Growth aid.** In fiscal year 2013 and later, the growth aid for each school is  
45.16 equal to the product of the school's growth allowance times the number of fourth grade  
45.17 pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth  
45.18 allowance is equal to the percentage of students at that school making medium or high  
45.19 growth, under section 120B.299, on the fourth grade reading Minnesota Comprehensive  
45.20 Assessment, averaged across the previous three test administrations, times ~~\$85~~ \$530.

**H2949-2**

9.1 Sec. 12. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is  
9.2 amended to read:

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

45.21 Sec. 27. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is  
45.22 amended to read:

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

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

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

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

10.3 (e) The total levy under this subdivision for a district for any year must not exceed  
 10.4 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

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

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

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

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

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

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

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

46.25 (e) The total levy under this subdivision for a district for any year must not exceed  
 46.26 \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

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

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

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

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

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

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

10.19 (h) A school district that is a member of an intermediate school district may include  
10.20 in its authority under this section the costs associated with leases of administrative and  
10.21 classroom space for intermediate school district programs. This authority must not exceed  
10.22 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is  
10.23 in addition to any other authority authorized under this section.

10.24 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
10.25 2012, a district that is a member of the "Technology and Information Education Systems"  
10.26 data processing joint board, that finds it economically advantageous to enter into a lease  
10.27 agreement to finance improvements to a building for a group of school districts or special  
10.28 school districts for staff development purposes, may levy for its portion of lease costs  
10.29 attributed to the district within the total levy limit in paragraph (e). The total levy authority  
10.30 under this paragraph shall not exceed \$632,000.

10.31 (j) Notwithstanding paragraph (a), a district may levy under this subdivision for the  
10.32 purpose of leasing administrative space if the district can demonstrate to the satisfaction of  
10.33 the commissioner that the lease cost for the administrative space is no greater than the  
10.34 lease cost for instructional space that the district would otherwise lease. The commissioner  
10.35 must deny this levy authority unless the district passes a resolution stating its intent to  
10.36 lease instructional space under this section if the commissioner does not grant authority  
11.1 under this paragraph. The resolution must also certify that the lease cost for administrative  
11.2 space under this paragraph is no greater than the lease cost for the district's proposed  
11.3 instructional lease.

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

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

47.5 (h) A school district that is a member of an intermediate school district may include  
47.6 in its authority under this section the costs associated with leases of administrative and  
47.7 classroom space for intermediate school district programs. This authority must not exceed  
47.8 \$43 times the adjusted marginal cost pupil units of the member districts. This authority is  
47.9 in addition to any other authority authorized under this section.

47.10 (i) In addition to the allowable capital levies in paragraph (a), for taxes payable in  
47.11 2012 to 2023, a district that is a member of the "Technology and Information Education  
47.12 Systems" data processing joint board, that finds it economically advantageous to enter into  
47.13 a lease agreement to finance improvements to a building and land for a group of school  
47.14 districts or special school districts for staff development purposes, may levy for its portion  
47.15 of lease costs attributed to the district within the total levy limit in paragraph (e). The total  
47.16 levy authority under this paragraph shall not exceed \$632,000.

47.17 (j) In addition to the allowable capital levies in paragraph (a), a school district  
47.18 that is a member of the St. Croix River Education District that finds it economically  
47.19 advantageous to enter into a lease purchase agreement for a building and land for the St.  
47.20 Croix River Education District may levy for its portion of lease costs attributed to the  
47.21 district within the total levy limit in paragraph (e). The authority under this paragraph is  
47.22 effective for taxes payable in 2013 to 2028.

47.23 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

48.8 Sec. 29. **LEASE LEVY; ADMINISTRATIVE SPACE.**

48.9 Subdivision 1. **Faribault.** Notwithstanding Minnesota Statutes, section 126C.40,  
 48.10 subdivision 1, Independent School District No. 656, Faribault, may lease administrative  
 48.11 space under Minnesota Statutes, section 126C.40, subdivision 1, if the district can  
 48.12 demonstrate to the satisfaction of the commissioner of education that the administrative  
 48.13 space is less expensive than instructional space that the district would otherwise lease.  
 48.14 The commissioner must deny this levy authority unless the district passes a resolution  
 48.15 stating its intent to lease instructional space under Minnesota Statutes, section 126C.40,  
 48.16 subdivision 1, if the commissioner does not grant authority under this section. The  
 48.17 resolution must also certify that a lease of administrative space under this section is less  
 48.18 expensive than the district's proposed instructional lease. Levy authority under this section  
 48.19 shall not exceed the total levy authority under Minnesota Statutes, section 126C.40,  
 48.20 subdivision 1, paragraph (e).

48.21 Subd. 2. **Wayzata.** Notwithstanding Minnesota Statutes, section 126C.40,  
 48.22 subdivision 1, Independent School District No. 284, Wayzata, may lease administrative  
 48.23 space under Minnesota Statutes, section 126C.40, subdivision 1, if the district can  
 48.24 demonstrate to the satisfaction of the commissioner of education that the administrative  
 48.25 space is less expensive than instructional space that the district would otherwise lease.  
 48.26 The commissioner must deny this levy authority unless the district passes a resolution  
 48.27 stating its intent to lease instructional space under Minnesota Statutes, section 126C.40,  
 48.28 subdivision 1, if the commissioner does not grant authority under this section. The  
 48.29 resolution must also certify that a lease of administrative space under this section is less  
 48.30 expensive than the district's proposed instructional lease. Levy authority under this section  
 48.31 shall not exceed the total levy authority under Minnesota Statutes, section 126C.40,  
 48.32 subdivision 1, paragraph (e).

48.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

47.24 Sec. 28. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision  
 47.25 16, is amended to read:

47.26 Subd. 16. **Student organizations.** For student organizations:

47.27 \$ 725,000 ..... 2012

47.28 \$ 725,000 ..... 2013

47.29 \$49,000 each year is for student organizations serving health occupations (HUSA)  
 47.30 (HOSA).

47.31 \$46,000 each year is for student organizations serving service occupations (HERO).



47.32 \$106,000 each year is for student organizations serving trade and industry  
 47.33 occupations (SkillsUSA, secondary and postsecondary).

47.34 \$101,000 each year is for student organizations serving business occupations  
 47.35 (~~DECA~~, BPA, secondary and postsecondary).

48.1 \$158,000 each year is for student organizations serving agriculture occupations  
 48.2 (FFA, PAS).

48.3 \$150,000 each year is for student organizations serving family and consumer science  
 48.4 occupations (FCCLA).

48.5 \$115,000 each year is for student organizations serving marketing occupations  
 48.6 (~~DEX~~) (DECA, DECA Collegiate).

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

14.30 Sec. 17. **ONE-YEAR LICENSES.**

14.31 Notwithstanding Minnesota Statutes 2010, section 122A.18, subdivision 2, as

14.32 amended by Laws 2012, chapter 122, section 2, a person who has:

14.33 (1) obtained a one-year license to teach; and

14.34 (2) taught in a language immersion program during the 2011-2012 school year;

15.1 may be approved by the Board of Teaching to continue to teach through the end of the

15.2 2013-2014 school year.

15.3 **EFFECTIVE DATE.** This section is effective retroactively from February 22, 2012.

48.34 Sec. 30. **REPEALER.**

49.1 Minnesota Statutes 2010, sections 120A.28; 120B.019; 120B.31, subdivision 3;

49.2 121A.60, subdivisions 3 and 4; 121A.62; 121A.63; and 122A.18, subdivision 9, are

49.3 repealed.