

262.1 **ARTICLE 12**
262.2 **GENERAL EDUCATION**

27.11 **ARTICLE 7**
27.12 **GENERAL EDUCATION**

262.3 Section 1. Minnesota Statutes 2015 Supplement, section 120A.41, is amended to read:

262.4 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

262.5 A school board's annual school calendar must include at least 425 hours of
262.6 instruction for a kindergarten student without a disability, 935 hours of instruction for a
262.7 student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7
262.8 through 12, not including summer school. The school calendar for all-day kindergarten
262.9 must include at least 850 hours of instruction for the school year. The school calendar for
262.10 a prekindergarten student under section 124D.151, if offered by the district, must include
262.11 at least 350 hours of instruction for the school year. A school board's annual calendar
262.12 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
262.13 four-day week schedule has been approved by the commissioner under section 124D.126.

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

262.15 later.

S2744-2

2.3 Section 1. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

2.4 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative
2.5 unit is:

2.6 (1) an education district organized under sections 123A.15 to 123A.19;

2.7 (2) a cooperative vocational center organized under section 123A.22;

2.8 (3) an intermediate district organized under chapter 136D;

2.9 (4) a service cooperative organized under section 123A.21; ~~or~~

2.10 (5) a regional management information center organized under section 123A.23 or

2.11 as a joint powers district according to section 471.59; or

2.12 (6) a special education cooperative organized under section 471.59.

27.13 Section 1. Minnesota Statutes 2014, section 123A.24, subdivision 2, is amended to read:

27.14 Subd. 2. **Cooperative unit defined.** For the purposes of this section, a cooperative
27.15 unit is:

27.16 (1) an education district organized under sections 123A.15 to 123A.19;

27.17 (2) a cooperative vocational center organized under section 123A.22;

27.18 (3) an intermediate district organized under chapter 136D;

27.19 (4) a service cooperative organized under section 123A.21; ~~or~~

27.20 (5) a regional management information center organized under section 123A.23 or

27.21 as a joint powers district according to section 471.59; or

27.22 (6) a special education cooperative organized under section 471.59.

27.23 Sec. 2. Minnesota Statutes 2014, section 124D.111, is amended by adding a

27.24 subdivision to read:

27.25 Subd. 2a. **Federal child and adult care food program; financial viability.** (a) A
 27.26 nonprofit organization with fewer than three years of experience and performance data
 27.27 that is applying for approval as a multisite sponsoring organization under the federal child
 27.28 and adult care food program may demonstrate its financial viability by submitting to the
 27.29 commissioner a written statement from a certified public accountant indicating, based on
 27.30 generally accepted accounting principles, that the nonprofit organization has the financial
 27.31 resources needed to sponsor the program on a daily basis and to withstand temporary
 27.32 interruptions in program payments. The statement from a certified public accountant
 27.33 satisfies the requirement for a nonprofit organization to demonstrate its financial viability
 28.1 under the federal child and adult care food program in Minnesota. Consistent with
 28.2 this paragraph, the commissioner must post on the department's Web site criteria for
 28.3 interested nonprofit organizations, those with fewer than three years of experience and
 28.4 performance data, and those with three or more years of experience and performance data,
 28.5 to demonstrate financial viability for the Minnesota program.

28.6 (b) The commissioner must use an expedited process to reconsider any application
 28.7 by a nonprofit organization under paragraph (a) applying for approval as a multisite
 28.8 sponsoring organization under the federal child and adult care food program submitted to
 28.9 the commissioner after July 1, 2015, if the commissioner denied the application, in whole
 28.10 or in part, based upon the applicant's inability to demonstrate financial viability.

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

UEH2749-1

262.16 Sec. 2. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to read:

262.17 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
 262.18 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully
 262.19 paid breakfast served to students in grades 1 to 12, and \$1.30 for each fully paid breakfast
 262.20 served to a prekindergarten student enrolled in an approved voluntary prekindergarten
 262.21 program under section 124D.151 or a kindergarten student.

262.22 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 262.23 later.

262.24 Sec. 3. Minnesota Statutes 2014, section 124D.1158, subdivision 4, is amended to read:

262.25 Subd. 4. **No fees.** A school that receives school breakfast aid under this section
262.26 must make breakfast available without charge to all participating students in grades 1
262.27 to 12 who qualify for free or reduced-price meals and to all prekindergarten students
262.28 enrolled in an approved voluntary prekindergarten program under section 124D.151 and
262.29 all kindergarten students.

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

262.31 later.

263.1 Sec. 4. **[124D.151] VOLUNTARY PREKINDERGARTEN PROGRAM.**

263.2 Subdivision 1. **Establishment; purpose.** A district, a charter school, a group of
263.3 districts, a group of charter schools, or a group of districts and charter schools may
263.4 establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten
263.5 program is to prepare children for success as they enter kindergarten in the following year.

263.6 Subd. 2. **Program requirements.** (a) A voluntary prekindergarten program
263.7 provider must:

263.8 (1) measure each child's cognitive and social skills using a formative measure
263.9 aligned to the state's early learning standards when the child enters and again before the
263.10 child leaves the program, screening and progress monitoring measures, and others from
263.11 the state-approved menu of kindergarten entry profile measures;

263.12 (2) provide comprehensive program content including the implementation of
263.13 curriculum, assessment, and instructional strategies aligned with the state early learning
263.14 standards, and kindergarten through third grade academic standards;

263.15 (3) provide instructional content and activities that are of sufficient length and
263.16 intensity to address learning needs including offering a program with at least 350 hours of
263.17 instruction per school year for a prekindergarten student;

263.18 (4) provide voluntary prekindergarten instructional staff salaries comparable to the
263.19 salaries of local kindergarten through grade 12 instructional staff;

263.20 (5) coordinate appropriate kindergarten transition with families, community-based
263.21 prekindergarten programs, and school district kindergarten programs;

263.22 (6) involve parents in program planning and transition planning by implementing
263.23 parent engagement strategies that include culturally and linguistically responsive activities
263.24 in prekindergarten through third grade that are aligned with early childhood family
263.25 education under section 124D.13;

263.26 (7) coordinate with relevant community-based services, including health and social
263.27 service agencies, to ensure children have access to comprehensive services;

263.28 (8) coordinate with all relevant school district programs and services including early
 263.29 childhood special education, homeless students, and English learners;

263.30 (9) ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

263.31 (10) provide high-quality coordinated professional development, training, and
 263.32 coaching for both school district and community-based early learning providers that
 263.33 is informed by a measure of adult-child interactions and enables teachers to be highly
 263.34 knowledgeable in early childhood curriculum content, assessment, native and English
 263.35 language development programs, and instruction; and

264.1 (11) implement strategies that support the alignment of professional development,
 264.2 instruction, assessments, and prekindergarten through grade three curricula.

264.3 (b) A voluntary prekindergarten program must ensure that all classroom teachers
 264.4 have an early childhood license issued by the Board of Teaching, or special permission,
 264.5 by the 2022-2023 school year and later.

264.6 (c) Districts and charter schools must include their strategy for implementing and
 264.7 measuring the impact of their voluntary prekindergarten program under section 120B.11
 264.8 and provide results in their world's best workforce annual summary to the commissioner
 264.9 of education.

264.10 **Subd. 3. Mixed delivery of services.** A district or charter school may contract
 264.11 with a charter school, Head Start or child care centers, family child care programs
 264.12 licensed under section 245A.03, or a community-based organization to provide eligible
 264.13 children with developmentally appropriate services that meet the program requirements in
 264.14 subdivision 2. Components of a mixed-delivery plan include strategies for recruitment,
 264.15 contracting, and monitoring of fiscal compliance and program quality.

264.16 **Subd. 4. Eligibility.** A child who is four years of age as of September 1 in the
 264.17 calendar year in which the school year commences is eligible to participate in a voluntary
 264.18 prekindergarten program free of charge. Each eligible child must complete a health and
 264.19 developmental screening within 90 days of program enrollment under sections 121A.16 to
 264.20 121A.19, and provide documentation of required immunizations under section 121A.15.

264.21 **Subd. 5. Application process; priority for high poverty schools.** (a) To qualify
 264.22 for program approval for fiscal year 2017, a district or charter school must submit an
 264.23 application to the commissioner by July 1, 2016. To qualify for program approval for
 264.24 fiscal year 2018 and later, a district or charter school must submit an application to the
 264.25 commissioner by January 30 of the fiscal year prior to the fiscal year in which the program
 264.26 will be implemented. The application must include:

264.27 (1) a description of the proposed program, including the number of hours per week
 264.28 the program will be offered at each school site or mixed-delivery location;

264.29 (2) an estimate of the number of eligible children to be served in the program at each
 264.30 school site or mixed-delivery location; and

264.31 (3) a statement of assurances signed by the superintendent or charter school director
 264.32 that the proposed program meets the requirements of subdivision 2.

264.33 (b) The commissioner must review all applications submitted for fiscal year 2017 by
 264.34 August 1, 2016, and must review all applications submitted for fiscal year 2018 and later
 264.35 by March 1 of the fiscal year in which the applications are received and determine whether
 264.36 each application meets the requirements of paragraph (a).

265.1 (c) The commissioner must divide all applications for new or expanded programs
 265.2 meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and
 265.3 St. Paul school districts; other school districts located in the metropolitan equity region as
 265.4 defined in section 126C.10, subdivision 28; school districts located in the rural equity region
 265.5 as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the
 265.6 applications must be ordered by rank using a sliding scale based on the following criteria:

265.7 (1) concentration of kindergarten students eligible for free or reduced-price lunches
 265.8 by school site on October 1 of the previous school year. For school district programs to be
 265.9 operated at locations that do not have free and reduced-price lunch concentration data for
 265.10 kindergarten programs for October 1 of the previous school year, including mixed-delivery
 265.11 programs, the school district average concentration of kindergarten students eligible for
 265.12 free or reduced-price lunches must be used for the rank ordering;

265.13 (2) presence or absence of a three- or four-star Parent Aware rated program within
 265.14 the school district or close proximity of the district. School sites with the highest
 265.15 concentration of kindergarten students eligible for free or reduced-price lunches that
 265.16 do not have a three- or four-star Parent Aware program within the district or close
 265.17 proximity of the district shall receive the highest priority, and school sites with the lowest
 265.18 concentration of kindergarten students eligible for free or reduced-price lunches that have
 265.19 a three- or four-star Parent Aware rated program within the district or close proximity of
 265.20 the district shall receive the lowest priority. If a tie exists in the rank order of applications
 265.21 under this paragraph, the commissioner must give priority among the tied applications to
 265.22 the applicant with the highest proportion of prekindergarten classroom teachers with an
 265.23 early childhood license issued by the Board of Teaching.

265.24 (d) The aid available for the program as specified in subdivision 6, paragraph (b),
 265.25 must initially be allocated among the four groups based on each group's percentage share
 265.26 of the statewide kindergarten enrollment on October 1 of the previous school year. Within
 265.27 each group, the available aid must be allocated among school sites in priority order until
 265.28 that region's share of the aid limit is reached. If the aid limit is not reached for all groups,
 265.29 the remaining amount must be allocated to the highest priority school sites, as designated
 265.30 under this section, not funded in the initial allocation on a statewide basis.

265.31 (e) Once a school site is approved for aid under this subdivision, it shall remain
 265.32 eligible for aid if it continues to meet program requirements, regardless of changes in the
 265.33 concentration of students eligible for free or reduced-price lunches.

265.34 (f) If the total aid entitlement approved based on applications submitted under
 265.35 paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b),
 265.36 the commissioner must notify all school districts and charter schools of the amount that
 266.1 remains available within 30 days of the initial application deadline under paragraph (a),
 266.2 and complete a second round of allocations based on applications received within 60 days
 266.3 of the initial application deadline.

266.4 (g) Procedures for approving applications submitted under paragraph (f) shall be the
 266.5 same as specified in paragraphs (a) to (d), except that the allocations shall be made to the
 266.6 highest priority school sites not funded in the initial allocation on a statewide basis.

266.7 Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section
 266.8 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten
 266.9 program for an eligible school district or charter school must not exceed 60 percent of the
 266.10 kindergarten pupil units for that school district or charter school under section 126C.05,
 266.11 subdivision 1, paragraph (e).

266.12 (b) In reviewing applications under subdivision 5, the commissioner must limit the
 266.13 estimated state aid entitlement approved under this section to \$27,092,000 for fiscal year
 266.14 2017, \$33,095,000 for fiscal year 2018, and \$40,203,000 for fiscal year 2019 and later. If
 266.15 the actual state aid entitlement based on final data exceeds the limit in any year, the aid of
 266.16 the participating districts must be prorated so as not to exceed the limit.

266.17 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 266.18 later.

266.19 Sec. 5. Minnesota Statutes 2015 Supplement, section 124D.59, subdivision 2, is
 266.20 amended to read:

266.21 Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten
 266.22 through grade 12 or a prekindergarten student enrolled in an approved voluntary
 266.23 prekindergarten program under section 124D.151 who meets the requirements under
 266.24 subdivision 2a or the following requirements:

266.25 (1) the pupil, as declared by a parent or guardian first learned a language other than
 266.26 English, comes from a home where the language usually spoken is other than English, or
 266.27 usually speaks a language other than English; and

266.28 (2) the pupil is determined by a valid assessment measuring the pupil's English
 266.29 language proficiency and by developmentally appropriate measures, which might include
 266.30 observations, teacher judgment, parent recommendations, or developmentally appropriate
 266.31 assessment instruments, to lack the necessary English skills to participate fully in
 266.32 academic classes taught in English.

266.33 (b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in
 266.34 the previous school year took a commissioner-provided assessment measuring the pupil's
 266.35 emerging academic English, shall be counted as an English learner in calculating English
 267.1 learner pupil units under section 126C.05, subdivision 17, and shall generate state English
 267.2 learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff
 267.3 score or is otherwise counted as a nonproficient participant on the assessment measuring
 267.4 the pupil's emerging academic English, or, in the judgment of the pupil's classroom
 267.5 teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate
 267.6 academic language proficiency in English, including oral academic language, sufficient to
 267.7 successfully and fully participate in the general core curriculum in the regular classroom.

267.8 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten
 267.9 under section 124D.151, through grade 12 shall not be counted as an English learner in
 267.10 calculating English learner pupil units under section 126C.05, subdivision 17, and shall
 267.11 not generate state English learner aid under section 124D.65, subdivision 5, if:

267.12 (1) the pupil is not enrolled during the current fiscal year in an educational program
 267.13 for English learners under sections 124D.58 to 124D.64; or

267.14 (2) the pupil has generated seven or more years of average daily membership in
 267.15 Minnesota public schools since July 1, 1996.

267.16 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 267.17 later.

267.18 Sec. 6. Minnesota Statutes 2014, section 124D.68, subdivision 2, is amended to read:

267.19 Subd. 2. **Eligible pupils.** (a) A pupil under the age of 21 or who meets the
 267.20 requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in
 267.21 the graduation incentives program, if the pupil:

267.22 (1) performs substantially below the performance level for pupils of the same age
 267.23 in a locally determined achievement test;

267.24 (2) is behind in satisfactorily completing coursework or obtaining credits for
 267.25 graduation;

267.26 (3) is pregnant or is a parent;

267.27 (4) has been assessed as chemically dependent;

267.28 (5) has been excluded or expelled according to sections 121A.40 to 121A.56;

267.29 (6) has been referred by a school district for enrollment in an eligible program or
 267.30 a program pursuant to section 124D.69;

267.31 (7) is a victim of physical or sexual abuse;

267.32 (8) has experienced mental health problems;

267.33 (9) has experienced homelessness sometime within six months before requesting a

267.34 transfer to an eligible program;

267.35 (10) speaks English as a second language or is an English learner; or

268.1 (11) has withdrawn from school or has been chronically truant; or

268.2 (12) is being treated in a hospital in the seven-county metropolitan area for cancer or

268.3 other life threatening illness or is the sibling of an eligible pupil who is being currently

268.4 treated, and resides with the pupil's family at least 60 miles beyond the outside boundary

268.5 of the seven-county metropolitan area.

268.6 (b) For the 2016-2017 school year only, a pupil otherwise qualifying under

268.7 paragraph (a) who is at least 21 years of age and not yet 22 years of age and is an English

268.8 learner with an interrupted formal education according to section 124D.59, subdivision 2a,

268.9 is eligible to participate in the graduation incentives program under section 124D.68 and

268.10 in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is

268.11 funded in the same manner as other pupils under this section.

268.12 Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.05, subdivision 1, is

268.13 amended to read:

268.14 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the

268.15 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph

268.16 (c), in average daily membership enrolled in the district of residence, in another district

268.17 under sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school

268.18 under chapter 124E; or for whom the resident district pays tuition under section 123A.18,

268.19 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,

268.20 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this

268.21 subdivision.

268.22 (a) A prekindergarten pupil with a disability who is enrolled in a program approved

268.23 by the commissioner and has an individualized education program is counted as the ratio

268.24 of the number of hours of assessment and education service to 825 times 1.0 with a

268.25 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

268.26 (b) A prekindergarten pupil who is assessed but determined not to be disabled is

268.27 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

268.28 (c) A kindergarten pupil with a disability who is enrolled in a program approved

268.29 by the commissioner is counted as the ratio of the number of hours of assessment and

268.30 education services required in the fiscal year by the pupil's individualized education

268.31 program to 875, but not more than one.

268.32 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is
 268.33 enrolled in an approved voluntary prekindergarten program under section 124D.151 is
 268.34 counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more
 268.35 than 0.6 pupil units.

269.1 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0
 269.2 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available
 269.3 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in
 269.4 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
 269.5 every day kindergarten program available to all kindergarten pupils at the pupil's school.

269.6 ~~(e)~~ (f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

269.7 ~~(f)~~ (g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

269.8 ~~(g)~~ (h) A pupil who is in the postsecondary enrollment options program is counted
 269.9 as 1.2 pupil units.

269.10 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 269.11 later.

269.12 Sec. 8. Minnesota Statutes 2014, section 126C.05, subdivision 3, is amended to read:

269.13 Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units
 269.14 for fiscal year 1998 and thereafter must be computed according to this subdivision.

269.15 (a) The compensation revenue concentration percentage for each building in a
 269.16 district equals the product of 100 times the ratio of:

269.17 (1) the sum of the number of pupils enrolled in the building eligible to receive free
 269.18 lunch plus one-half of the pupils eligible to receive reduced priced lunch on October
 269.19 1 of the previous fiscal year; to

269.20 (2) the number of pupils enrolled in the building on October 1 of the previous fiscal
 269.21 year.

269.22 (b) The compensation revenue pupil weighting factor for a building equals the
 269.23 lesser of one or the quotient obtained by dividing the building's compensation revenue
 269.24 concentration percentage by 80.0.

269.25 (c) The compensation revenue pupil units for a building equals the product of:

269.26 (1) the sum of the number of pupils enrolled in the building eligible to receive free
 269.27 lunch and one-half of the pupils eligible to receive reduced priced lunch on October 1
 269.28 of the previous fiscal year; times

269.29 (2) the compensation revenue pupil weighting factor for the building; times

269.30 (3) .60.

269.31 (d) Notwithstanding paragraphs (a) to (c), for voluntary prekindergarten programs
 269.32 under section 124D.151, charter schools, and contracted alternative programs in the
 269.33 first year of operation, compensation revenue pupil units shall be computed using data
 269.34 for the current fiscal year. If the voluntary prekindergarten program, charter school, or
 269.35 contracted alternative program begins operation after October 1, compensatory revenue
 270.1 pupil units shall be computed based on pupils enrolled on an alternate date determined by
 270.2 the commissioner, and the compensation revenue pupil units shall be prorated based on
 270.3 the ratio of the number of days of student instruction to 170 days.

270.4 (e) The percentages in this subdivision must be based on the count of individual
 270.5 pupils and not on a building average or minimum.

270.6 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 270.7 later.

28.12 Sec. 3. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 1, is
 28.13 amended to read:

28.14 Subdivision 1. **General education revenue.** (a) Notwithstanding any law to the
 28.15 contrary, a school board in any school year may adopt a resolution declaring an urgent
 28.16 educational need for that school year and resolve to reallocate the district's general
 28.17 education revenue under this section to provide more effective education programs and
 28.18 services designed to improve the educational outcomes of all students enrolled in the
 28.19 district. A board action under this paragraph must not increase state aid obligations to
 28.20 the district, result in additional property tax authority for the district, or interfere with
 28.21 federally mandated laws or state or federal court orders.

28.22 (b) The general education revenue for each district equals the sum of the district's
 28.23 basic revenue, extended time revenue, gifted and talented revenue, declining enrollment
 28.24 revenue, local optional revenue, small schools revenue, basic skills revenue, secondary
 28.25 sparsity revenue, elementary sparsity revenue, transportation sparsity revenue, total
 28.26 operating capital revenue, equity revenue, pension adjustment revenue, and transition
 28.27 revenue.

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

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

270.9 Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining
 270.10 enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the
 270.11 formula allowance for that year and (2) the difference between the adjusted pupil units for
 270.12 the preceding year and the adjusted pupil units for the current year.

270.13 (b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil
 270.14 enrolled at the Crosswinds school shall not generate declining enrollment revenue for the
 270.15 district or charter school in which the pupil was last counted in average daily membership.

270.16 (c) Notwithstanding paragraph (a), for fiscal years 2017, 2018, and 2019 only,
 270.17 prekindergarten pupil units under section 126C.05, subdivision 1, paragraph (d), must be
 270.18 excluded from the calculation of declining enrollment revenue.

270.19 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 270.20 later.

270.21 Sec. 10. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,
 270.22 is amended to read:

28.29 Sec. 4. Minnesota Statutes 2014, section 126C.10, subdivision 2e, is amended to read:

28.30 Subd. 2e. **Local optional revenue.** (a) Local optional revenue for a school district
 28.31 with a board-approved plan equals \$424 times the adjusted pupil units of the district
 28.32 for that school year.

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

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

29.7 (d) Beginning with revenue for the 2017-2018 school year, a school district is
 29.8 eligible for local optional revenue under this subdivision only after the school board has
 29.9 asked for public testimony and adopted a written plan describing the proposed uses of
 29.10 the local optional revenue. A board-approved plan may be in place for no more than five
 29.11 fiscal years, after which time a new plan must be adopted.

29.12 Sec. 5. Minnesota Statutes 2015 Supplement, section 126C.10, subdivision 13a,
 29.13 is amended to read:

270.23 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district
 270.24 may levy an amount not more than the product of its operating capital revenue for the
 270.25 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted
 270.26 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor
 270.27 equals \$14,500 for fiscal years 2015 and 2016, \$14,740 \$16,680 for fiscal year 2017,
 270.28 \$17,473 \$21,523 for fiscal year 2018, and ~~\$20,510~~ \$27,678 for fiscal year 2019 and later.

270.29 **EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2017 and
 270.30 later.

270.31 Sec. 11. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

271.19 (e) A school district's equity revenue for a school district located in the metro equity
 271.20 ~~region~~ with any of its area located within Anoka, Carver, Dakota, Hennepin, Ramsey,
 271.21 Scott, or Washington County equals the amount computed in paragraphs (b), (c), and (d)
 271.22 multiplied by 1.25.

29.14 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue, a district
 29.15 may levy an amount not more than the product of its operating capital revenue for the
 29.16 fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted
 29.17 pupil unit to the operating capital equalizing factor. The operating capital equalizing factor
 29.18 equals \$14,500 for fiscal years 2015 and 2016, \$14,740 for fiscal year 2017, ~~\$17,473~~
 29.19 \$17,495 for fiscal year 2018, and ~~\$20,510~~ \$20,532 for fiscal year 2019 and later.

29.20 Sec. 6. Minnesota Statutes 2014, section 126C.10, subdivision 24, is amended to read:

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

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

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

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

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

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

30.6 (e) A school district's equity revenue for a school district located in the metro equity
 30.7 ~~region~~ equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.
 30.8 Beginning in fiscal year 2018, a district's equity revenue adjustment under this paragraph
 30.9 is available only after the school board has adopted a written resolution authorizing the
 30.10 equity revenue adjustment. The resolution must be adopted at a board meeting after the
 30.11 public has been given an opportunity to speak on the resolution. A resolution adopted
 30.12 under this subdivision may authorize the revenue adjustment for up to five years, and the
 30.13 board may subsequently reauthorize the revenue in increments of up to five years.

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

271.25 EFFECTIVE DATE. This section is effective for revenue in fiscal year 2018 and
271.26 later.

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

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

30.18 Sec. 7. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 1, is
30.19 amended to read:

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

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

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

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

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

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

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

31.12 ~~(5)~~ (7) comprehensive and ongoing staff development consistent with district and
31.13 site plans according to section 122A.60 and to implement plans under section 120B.12,
31.14 subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve
31.15 their ability to identify the needs of these learners and provide appropriate remediation,
31.16 intervention, accommodations, or modifications;

31.17 ~~(6)~~ (8) instructional materials, digital learning, and technology appropriate for
 31.18 meeting the individual needs of these learners;

31.19 ~~(7)~~ (9) programs to reduce truancy, encourage completion of high school, enhance
 31.20 self-concept, provide health services, provide nutrition services, provide a safe and secure
 31.21 learning environment, provide coordination for pupils receiving services from other
 31.22 governmental agencies, provide psychological services to determine the level of social,
 31.23 emotional, cognitive, and intellectual development, and provide counseling services,
 31.24 guidance services, and social work services;

31.25 ~~(8)~~ (10) bilingual programs, bicultural programs, and programs for English learners;

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

31.27 ~~(10)~~ (11) early education programs, parent-training programs, school readiness
 31.28 programs, kindergarten programs for four-year-olds, voluntary home visits under section
 31.29 124D.13, subdivision 4, and other outreach efforts designed to prepare children for
 31.30 kindergarten;

31.31 ~~(11)~~ (12) extended school day and extended school year programs, including
 31.32 summer academies; and

31.33 ~~(12)~~ (13) substantial parent involvement in developing and implementing remedial
 31.34 education or intervention plans for a learner, including learning contracts between the
 31.35 school, the learner, and the parent that establish achievement goals and responsibilities of
 31.36 the learner and the learner's parent or guardian.

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

32.2 Sec. 8. Minnesota Statutes 2015 Supplement, section 126C.15, subdivision 2, is
 32.3 amended to read:

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

32.10 (b) Notwithstanding paragraph (a), the board of a district or cooperative may allocate
 32.11 up to 50 percent of the amount of reallocate any or all of its compensatory revenue that
 32.12 the district receives to school sites according to a plan adopted by the school board.
 32.13 The money reallocated under this paragraph must be spent for the purposes listed in
 32.14 subdivision 1, but may be spent on students in any grade, including students attending
 32.15 school readiness or other prekindergarten programs.

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

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

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

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

32.28 Sec. 9. Minnesota Statutes 2014, section 126C.15, subdivision 3, is amended to read:

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

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

33.4 Sec. 10. Minnesota Statutes 2014, section 126C.17, subdivision 9a, is amended to read:

33.5 Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision
33.6 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority
33.7 from voter approved to board approved by a board vote. A district with less than \$300 per
33.8 adjusted pupil unit of referendum authority after the local optional revenue subtraction
33.9 under subdivision 1 may authorize new referendum authority up to the difference between
33.10 \$300 per adjusted pupil unit and the district's referendum authority. The board may
33.11 authorize this levy for up to five years ~~and~~ The board may subsequently reauthorize that
33.12 authority in increments of up to only after allowing public testimony on the authority and
33.13 adopting a written resolution extending the authority for a specified number of years,
33.14 not to exceed five years.

33.15 **EFFECTIVE DATE.** This section is effective for authority approved by the board
33.16 on or after July 1, 2016.

33.17 Sec. 11. Minnesota Statutes 2014, section 127A.353, subdivision 4, is amended to read:

33.18 Subd. 4. **Duties; powers.** (a) The school trust lands director shall:

33.19 (1) take an oath of office before assuming any duties as the director;

33.20 (2) evaluate the school trust land asset position;

33.21 (3) determine the estimated current and potential market value of school trust lands;

33.22 (4) advise the governor, Executive Council, commissioner of natural resources,
33.23 and the Legislative Permanent School Fund Commission on the management of school
33.24 trust lands, including:

33.25 (i) Department of Natural Resources school trust land management plans;

33.26 (ii) leases of school trust lands;

33.27 (iii) royalty agreements on school trust lands;

33.28 (iv) land sales and exchanges;

33.29 (v) cost certification; and

33.30 (vi) revenue generating options;

33.31 (5) propose to the Legislative Permanent School Fund Commission legislative
33.32 changes that will improve the asset allocation of the school trust lands;

34.1 (6) develop a ten-year strategic plan and a 25-year framework for management of
34.2 school trust lands, in conjunction with the commissioner of natural resources, that is
34.3 updated every five years and implemented by the commissioner, with goals to:

34.4 (i) retain core real estate assets;

34.5 (ii) increase the value of the real estate assets and the cash flow from those assets;

34.6 (iii) rebalance the portfolio in assets with high performance potential and the
34.7 strategic disposal of selected assets;

34.8 (iv) establish priorities for management actions; and

34.9 (v) balance revenue enhancement and resource stewardship;

34.10 (7) submit to the Legislative Permanent School Fund Commission for review an
34.11 annual budget and management plan for the director; and

34.12 (8) keep the beneficiaries, governor, legislature, and the public informed about the
34.13 work of the director by reporting to the Legislative Permanent School Fund Commission
34.14 in a public meeting at least once during each calendar quarter.

34.15 (b) In carrying out the duties under paragraph (a), the school trust lands director
34.16 shall have the authority to:

- 34.17 (1) direct and control money appropriated to the director;
- 34.18 (2) establish job descriptions and employ up to five employees in the unclassified
34.19 service, within the limitations of money appropriated to the director;
- 34.20 (3) enter into interdepartmental agreements with any other state agency; ~~and~~
- 34.21 (4) enter into joint powers agreements under chapter 471;
- 34.22 (5) evaluate and initiate real estate development projects on school trust lands with
34.23 the advice of the Legislative Permanent School Fund Commission in order to generate
34.24 long-term economic return to the permanent school fund; and
- 34.25 (4) (6) submit recommendations on strategies for school trust land leases, sales, or
34.26 exchanges to the commissioner of natural resources and the Legislative Permanent School
34.27 Fund Commission.
- 34.28 **EFFECTIVE DATE.** This section is effective July 1, 2016.
- 34.29 Sec. 12. Minnesota Statutes 2014, section 127A.51, is amended to read:
- 34.30 **127A.51 STATEWIDE AVERAGE REVENUE.**
- 34.31 By ~~October~~ December 1 of each year the commissioner must estimate the statewide
34.32 average adjusted general revenue per adjusted pupil unit and the disparity in adjusted
34.33 general revenue among pupils and districts by computing the ratio of the 95th percentile
35.1 to the fifth percentile of adjusted general revenue. The commissioner must provide that
35.2 information to all districts.
- 35.3 If the disparity in adjusted general revenue as measured by the ratio of the 95th
35.4 percentile to the fifth percentile increases in any year, the commissioner shall recommend
35.5 to the legislature options for change in the general education formula that will limit the
35.6 disparity in adjusted general revenue to no more than the disparity for the previous
35.7 school year. The commissioner must submit the recommended options to the education
35.8 committees of the legislature by ~~January 15~~ February 1.
- 35.9 For purposes of this section and section 126C.10, adjusted general revenue means
35.10 the sum of basic revenue under section 126C.10, subdivision 2; referendum revenue under
35.11 section 126C.17; local optional revenue under section 126C.10, subdivision 2e; and equity
35.12 revenue under section 126C.10, subdivisions 24a and 24b.
- 35.13 Sec. 13. Laws 2013, chapter 116, article 7, section 19, as amended by Laws 2015, First
35.14 Special Session chapter 3, article 7, section 6, is amended to read:
- 35.15 Sec. 19. **FUND OR ACCOUNT TRANSFER; FISCAL YEAR 2014 THROUGH**
35.16 **FISCAL YEAR 2017 ONLY.**

35.17 (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal
35.18 year 2014 ~~through fiscal year 2017 only~~ and later, the commissioner must approve a
35.19 request for a fund or account transfer if the transfer does not increase state aid obligations
35.20 to the district or result in additional property tax authority for the district. This section
35.21 does not permit transfers from the community service fund, the food service fund, or the
35.22 reserved account for staff development under section 122A.61.

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

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

S2744-2

2.13 Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 24, is amended to
2.14 read:

2.15 Sec. 24. **COMPENSATORY REVENUE; INTERMEDIATE DISTRICT.**

2.16 For the ~~2015-2016~~ 2016-2017 school year only, for an intermediate district formed
2.17 under Minnesota Statutes, section 136D.41, the department must calculate compensatory
2.18 revenue based on the October 1, ~~2014~~ 2015, enrollment counts for the ~~South~~ SouthWest
2.19 Metro Educational Cooperative.

UEH2749-1

272.5 Sec. 13. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
272.6 2, is amended to read:

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

272.9 6,624,310,000
272.10 \$ 6,649,435,000 2016

272.11 6,761,574,000
272.12 \$ 6,815,589,000 2017

272.13 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~
272.14 \$6,026,527,000 for 2016.

35.27 Sec. 14. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision
35.28 2, is amended to read:

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

35.31 6,624,310,000
35.32 \$ 6,649,435,000 2016

35.33 6,761,574,000
35.34 \$ 6,794,192,000 2017

36.1 The 2016 appropriation includes \$622,908,000 for 2015 and ~~\$6,001,405,000~~
36.2 \$6,026,527,000 for 2016.

272.15 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
272.16 ~~\$6,122,762,000~~ \$6,174,177,000 for 2017.

272.17 Sec. 14. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
272.18 is amended to read:

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

272.21 ~~15,661,000~~
272.22 \$ 16,251,000 2016

272.23 ~~15,818,000~~
272.24 \$ 16,775,000 2017

272.25 Sec. 15. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
272.26 is amended to read:

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

272.29 ~~9,731,000~~
272.30 \$ 9,457,000 2016

272.31 ~~10,361,000~~
272.32 \$ 10,365,000 2017

272.33 Sec. 16. **RECIPROCITY AGREEMENT EXEMPTION; HENDRICKS.**

273.1 Notwithstanding Minnesota Statutes, sections 124D.04, subdivision 6, paragraph
273.2 (b); 124D.041, subdivision 3, paragraph (b); and 124D.05, subdivision 2a, the provisions
273.3 of Minnesota Statutes, section 124D.041, and the agreement shall not apply to Independent
273.4 School District No. 402, Hendricks.

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

S2744-2

36.3 The 2017 appropriation includes ~~\$638,812,000~~ \$641,412,000 for 2016 and
36.4 ~~\$6,122,762,000~~ \$6,152,780,000 for 2017.

184.11 Sec. 18. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2,
184.12 is amended to read:

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

184.15 ~~15,661,000~~
184.16 \$ 16,251,000 2016

184.17 ~~15,818,000~~
184.18 \$ 16,739,000 2017

184.19 Sec. 19. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3,
184.20 is amended to read:

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

184.23 ~~9,731,000~~
184.24 \$ 9,457,000 2016

184.25 ~~10,361,000~~
184.26 \$ 10,149,000 2017

2.20 Sec. 3. **VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND**
 2.21 **DILWORTH-GLYNDON-FELTON.**

2.22 Subdivision 1. **Boundary realignment allowed.** The school boards of Independent
 2.23 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign
 2.24 their shared district boundaries according to the provisions of this section.

2.25 Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent
 2.26 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly
 2.27 develop a plan to realign their shared school district boundaries over a period of years.

2.28 (b) The plan must specify and identify each group of parcels that will be transferred
 2.29 and the method used to determine the year during which each set of parcels is transferred.
 2.30 The method of transfer may include an analysis of the relative tax base of the parcels to
 2.31 be transferred and may make the transfers of parcels effective upon the relationship in
 2.32 relative tax bases.

3.1 (c) The written plan must be adopted by each school board after the board has
 3.2 allowed public testimony on the plan.

3.3 (d) The plan must be filed with both the county auditor and the commissioner of
 3.4 education.

3.5 (e) After adopting the plan, each school board must publish notice of the plan
 3.6 realigning district boundaries. The notice must include a general description of the area
 3.7 that will be affected by the proposed boundary alignment and the method by which the
 3.8 boundaries will be realigned. The notice must also be mailed to each property owner of
 3.9 record in the area proposed for realignment.

3.10 Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between
 3.11 the two school districts, for the next and subsequent tax years, the taxable property in the
 3.12 newly aligned parcel is taxable for a portion of the bonded debt of the school district to
 3.13 which the property is attached and is not taxable for the bonded debt from the school
 3.14 district from which the property is detached.

3.15 Subd. 4. **County auditor notified.** After adoption of the plan, each school board
 3.16 must provide a copy of the plan to the county auditor. The county auditor may request
 3.17 any other necessary information from the school districts to effect the transfer of parcels
 3.18 between the school districts. Each year, the school districts must notify the county auditor
 3.19 of what block of parcels, if any, will be transferred between the two school districts. The
 3.20 county auditor must notify each affected property owner of the boundary change.

3.21 Subd. 5. **Report to commissioner of education.** Upon adoption of the plan, the
 3.22 school boards must submit a copy of the plan to the commissioner of education. The
 3.23 districts must also provide any additional information necessary for computing school
 3.24 aids and levies to the commissioner of education in the form and manner requested by
 3.25 the department.

36.5 Sec. 15. **VOLUNTARY BOUNDARY ALIGNMENT; MOORHEAD AND**
 36.6 **DILWORTH-GLYNDON-FELTON.**

36.7 Subdivision 1. **Boundary realignment allowed.** The school boards of Independent
 36.8 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may realign
 36.9 their shared district boundaries according to the provisions of this section.

36.10 Subd. 2. **Plan to establish new boundaries.** (a) The school boards of Independent
 36.11 School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton, may jointly
 36.12 develop a plan to realign their shared school district boundaries over a period of years.

36.13 (b) The plan must specify and identify each group of parcels that will be transferred
 36.14 and the method used to determine the year during which each set of parcels is transferred.
 36.15 The method of transfer may include an analysis of the relative tax base of the parcels to
 36.16 be transferred and may make the transfers of parcels effective upon the relationship in
 36.17 relative tax bases.

36.18 (c) The written plan must be adopted by each school board after the board has
 36.19 allowed public testimony on the plan.

36.20 (d) The plan must be filed with both the county auditor and the commissioner of
 36.21 education.

36.22 (e) After adopting the plan, each school board must publish notice of the plan
 36.23 realigning district boundaries. The notice must include a general description of the area
 36.24 that will be affected by the proposed boundary alignment and the method by which the
 36.25 boundaries will be realigned. The notice must also be mailed to each property owner of
 36.26 record in the area proposed for realignment.

36.27 Subd. 3. **Bonded debt.** As of the effective date of each exchange of parcels between
 36.28 the two school districts, for the next and subsequent tax years, the taxable property in the
 36.29 newly aligned parcel is taxable for a portion of the bonded debt of the school district to
 36.30 which the property is attached and is not taxable for the bonded debt from the school
 36.31 district from which the property is detached.

36.32 Subd. 4. **County auditor notified.** After adoption of the plan, each school board
 36.33 must provide a copy of the plan to the county auditor. The county auditor may request
 36.34 any other necessary information from the school districts to affect the transfer of parcels
 36.35 between the school districts. Each year, the school districts must notify the county auditor
 37.1 of what block of parcels, if any, will be transferred between the two school districts. The
 37.2 county auditor must notify each affected property owner of the boundary change.

37.3 Subd. 5. **Report to Department of Education.** Upon adoption of the plan, the
 37.4 school boards must submit a copy of the plan to the Department of Education. The districts
 37.5 must also provide any additional information necessary for computing school aids and
 37.6 levies to the Department of Education in the form and manner requested by the department.

3.26 **EFFECTIVE DATE.** This section is effective the day after the school boards of
 3.27 Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,
 3.28 and their respective chief clerical officers timely comply with Minnesota Statutes, section
 3.29 645.021, subdivisions 2 and 3.

37.7 **EFFECTIVE DATE.** This section is effective the day after the school boards of
 37.8 Independent School Districts Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton,
 37.9 and their respective chief clerical officers timely comply with Minnesota Statutes, section
 37.10 645.021, subdivisions 2 and 3.

37.11 Sec. 16. **GLENVILLE-EMMONS SCHOOL DISTRICT; OPERATING**
 37.12 **REFERENDUM ADJUSTMENT.**

37.13 Subdivision 1. **Year first effective.** Notwithstanding any law to the contrary, the
 37.14 operating referendum approved by the voters of Independent School District No. 2886,
 37.15 Glenville-Emmons, in April 2015, is first effective for fiscal year 2017 and may run for
 37.16 the number of years stated on the ballot. The total referendum authority for fiscal year
 37.17 2017, including any board-approved authority, may not exceed the amount approved
 37.18 by the voters.

37.19 Subd. 2. **Documentation and process.** The board of Independent School District
 37.20 No. 2886, Glenville-Emmons, must submit to the commissioner of education the following:

37.21 (1) a unanimously adopted written resolution of the board at a public meeting
 37.22 authorizing the operating referendum to begin in fiscal year 2017;

37.23 (2) documentation showing that the district's approved plan to eliminate its statutory
 37.24 operating debt is being followed; and

37.25 (3) any other information requested by the commissioner.

37.26 Subd. 3. **Levy adjustment.** Independent School District No. 2886,
 37.27 Glenville-Emmons, may certify the levy to accompany the fiscal year 2017 operating
 37.28 referendum over a three-year period beginning with taxes payable in 2017.

37.29 Sec. 17. **EQUITY AID; FISCAL YEAR 2017.**

37.30 For fiscal year 2017 only, the entire amount of the equity revenue adjustment under
 37.31 section 6 is paid through state aid.

37.32 Sec. 18. **REPORT ON POSTSECONDARY ENROLLMENT OPTIONS**
 37.33 **PROGRAM.**

38.1 The commissioner of education must include in its 2017 report to the legislature
 38.2 on dual credit programs the number of students participating in early middle college
 38.3 programs and the number of English language learners participating in each type of dual
 38.4 enrollment program. The commissioner must also include recommendations about how to
 38.5 expand participation in early middle college programs for English language learners.

38.6 Sec. 19. **REVISOR'S INSTRUCTION.**

38.7 The revisor of statutes shall codify section 13 in Minnesota Statutes, section
38.8 123B.79, consistent with other limitations on school district fund and account transfers
38.9 and appropriately revise any statutory cross-reference consistent with that recoding.

3.30 Sec. 4. **REPEALER.**

3.31 Minnesota Statutes 2014, section 127A.51, is repealed, effective July 1, 2016.