

1.1 moves to amend H.F. No. 844 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 GENERAL EDUCATION

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

1.6 **120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

1.7 A school board's annual school calendar must include at least 425 hours of instruction
1.8 for a kindergarten student without a disability, 935 hours of instruction for a student in
1.9 grades 1 though 6, and 1,020 hours of instruction for a student in grades 7 though 12, not
1.10 including summer school. The school calendar for all-day kindergarten must include at
1.11 least 850 hours of instruction for the school year. The school calendar for prekindergarten,
1.12 if offered by the district, must include at least 850 hours of instruction for the school year
1.13 and at least 200 hours of instruction for the summer. A school board's annual calendar
1.14 must include at least 165 days of instruction for a student in grades 1 through 11 unless a
1.15 four-day week schedule has been approved by the commissioner under section 124D.126.

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

1.18 Sec. 2. Minnesota Statutes 2014, section 122A.415, subdivision 1, is amended to read:

1.19 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,
1.20 school site, or charter school that meets the conditions of section 122A.414 and submits an
1.21 application approved by the commissioner is eligible for alternative teacher compensation
1.22 revenue.

1.23 (b) For school district and intermediate school district applications, the commissioner
1.24 must consider only those applications to participate that are submitted jointly by a

2.1 district and the exclusive representative of the teachers. The application must contain an
 2.2 alternative teacher professional pay system agreement that:

2.3 (1) implements an alternative teacher professional pay system consistent with
 2.4 section 122A.414; and

2.5 (2) is negotiated and adopted according to the Public Employment Labor Relations
 2.6 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a
 2.7 district may enter into a contract for a term of two or four years.

2.8 Alternative teacher compensation revenue for a qualifying school district or site in
 2.9 which the school board and the exclusive representative of the teachers agree to place
 2.10 teachers in the district or at the site on the alternative teacher professional pay system
 2.11 equals ~~\$260~~ the alternative teacher compensation allowance times the number of pupils
 2.12 enrolled at the district or site on October 1 of the previous fiscal year. The alternative
 2.13 teacher compensation allowance equals \$260 for fiscal years 2015 through 2017, \$246 for
 2.14 fiscal year 2018, and \$244 for fiscal year 2019 and later. Alternative teacher compensation
 2.15 revenue for a qualifying intermediate school district must be calculated under subdivision
 2.16 4, paragraph (a).

2.17 (c) For a newly combined or consolidated district, the revenue shall be computed
 2.18 using the sum of pupils enrolled on October 1 of the previous year in the districts entering
 2.19 into the combination or consolidation. The commissioner may adjust the revenue computed
 2.20 for a site using prior year data to reflect changes attributable to school closings, school
 2.21 openings, or grade level reconfigurations between the prior year and the current year.

2.22 (d) The revenue is available only to school districts, intermediate school districts,
 2.23 school sites, and charter schools that fully implement an alternative teacher professional
 2.24 pay system by October 1 of the current school year.

2.25 **Sec. 3. [124D.171] PREKINDERGARTEN PROGRAM.**

2.26 **Subdivision 1. Programs authorized.** A school district may offer a voluntary
 2.27 prekindergarten program for all four-year-old children.

2.28 **Subd. 2. Program characteristics.** (a) High-quality, state-funded prekindergarten
 2.29 must prepare children for kindergarten and meet the state prekindergarten program criteria
 2.30 which include the following:

2.31 (1) compensatory instruction that accelerates children's language and literacy skills,
 2.32 mathematical thinking, and social skills;

2.33 (2) instructional content and activities that are of sufficient length and intensity to
 2.34 address learning needs;

- 3.1 (3) measurement of each child's cognitive and social skills using a formative
3.2 measure when the child enters and again before the child leaves the program, screening
3.3 measures such as literacy, and others from the state-approved menu of kindergarten
3.4 entrance measures;
- 3.5 (4) class size of 20 or fewer children and child-staff ratios of ten-to-one or less;
3.6 (5) an individualized learning plan for each child created by the family and teacher,
3.7 which includes a transition plan to kindergarten;
- 3.8 (6) a lead classroom teacher that is an appropriately licensed teacher trained in
3.9 child development, language and literacy development, early education instruction, and
3.10 native and English language development;
- 3.11 (7) prekindergarten instructional staff salaries comparable to the salaries of local
3.12 kindergarten through grade 12 instructional staff;
- 3.13 (8) community collaboration and planning, including community health and social
3.14 service agencies to ensure children have access to comprehensive services;
- 3.15 (9) coordination with all relevant school district programs and services, for example,
3.16 special education, homeless, and English learners;
- 3.17 (10) parent engagement strategies that include culturally and linguistically
3.18 responsive activities in prekindergarten through third grade;
- 3.19 (11) development and implementation of curriculum, assessment, and instructional
3.20 strategies aligned with the state's early learning guidelines and academic standards,
3.21 prekindergarten through third grade;
- 3.22 (12) inclusion of children with disabilities in the prekindergarten program;
3.23 (13) coordinated professional development and training for both school district and
3.24 community-based early learning providers that is informed by a measure of adult-child
3.25 interactions; and
- 3.26 (14) a plan for mixed delivery that may include partnerships with child care centers,
3.27 family child care programs licensed under section 245A.03 and Head Start programs that
3.28 comply with the state prekindergarten program requirements. Plan components include
3.29 strategies for recruitment, contracting, and monitoring of fiscal compliance and program
3.30 quality.
- 3.31 (b) Districts must include their strategy for implementing and measuring the impact
3.32 of their state-funded prekindergarten program in their World's Best Workforce Plan.
- 3.33 (c) Notwithstanding paragraph (a), clause (6), for fiscal year 2017, every district
3.34 receiving prekindergarten funding under Minnesota Statutes, section 126C.05, subdivision
3.35 1, must ensure at least 25 percent of classroom teachers have the required license or

4.1 special permission, 50 percent for fiscal year 2018, 75 percent for fiscal year 2019, and
 4.2 100 percent for each classroom by fiscal year 2020 and thereafter.

4.3 Subd. 3. **Child eligibility.** A child may participate in a prekindergarten program if
 4.4 the child:

4.5 (1) is not yet in kindergarten and is four years old on September 1 of that school year;

4.6 (2) has completed the early childhood health and development screening under
 4.7 sections 121A.16 to 121A.19 within 45 days of enrollment; and

4.8 (3) provides documentation of required immunizations under section 121A.15.

4.9 Subd. 4. **Hours of instruction.** A school board's annual school calendar for
 4.10 prekindergarten must meet the minimum hours requirement in section 120A.41.

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

4.12 Sec. 4. Minnesota Statutes 2014, section 124D.59, subdivision 2, is amended to read:

4.13 Subd. 2. **English learner.** (a) "English learner" means a pupil in ~~kindergarten~~
 4.14 prekindergarten through grade 12 who meets the requirements under subdivision 2a or the
 4.15 following requirements:

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

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

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

4.34 (c) Notwithstanding paragraphs (a) and (b), a pupil in ~~kindergarten~~ prekindergarten
 4.35 through grade 12 shall not be counted as an English learner in calculating English learner

5.1 pupil units under section 126C.05, subdivision 17, and shall not generate state English
5.2 learner aid under section 124D.65, subdivision 5, if:

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

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

5.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
5.8 and later, except that the amendment to paragraph (c), clause (2), is effective for fiscal
5.9 year 2016 and later.

5.10 Sec. 5. Minnesota Statutes 2014, section 126C.05, subdivision 1, is amended to read:

5.11 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the
5.12 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c),
5.13 in average daily membership enrolled in the district of residence, in another district under
5.14 sections 123A.05 to 123A.08, 124D.03, 124D.08, or 124D.68; in a charter school under
5.15 section 124D.10; or for whom the resident district pays tuition under section 123A.18,
5.16 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04,
5.17 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this
5.18 subdivision.

5.19 (a) A prekindergarten pupil with a disability who is enrolled in a program approved
5.20 by the commissioner and has an individualized education program is counted as the ratio
5.21 of the number of hours of assessment and education service to 825 times 1.0 with a
5.22 minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

5.23 (b) A prekindergarten pupil who is assessed but determined not to be disabled is
5.24 counted as the ratio of the number of hours of assessment service to 825 times 1.0.

5.25 (c) A kindergarten pupil with a disability who is enrolled in a program approved
5.26 by the commissioner is counted as the ratio of the number of hours of assessment and
5.27 education services required in the fiscal year by the pupil's individualized education
5.28 program to 875, but not more than one.

5.29 (d) A prekindergarten pupil who is not included in paragraph (a) or (b) is counted as
5.30 1.0 pupil unit if the pupil is enrolled in a free all-day, every day prekindergarten program
5.31 available to all prekindergarten pupils at the pupil's school that meets the minimum hours
5.32 requirement in section 120A.41 and meets the requirements in section 124D.171.

5.33 ~~(d)~~ (e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0
5.34 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available
5.35 to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in

6.1 section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day,
6.2 every day kindergarten program available to all kindergarten pupils at the pupil's school.

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

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

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

6.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017
6.8 and later.

6.9 Sec. 6. Minnesota Statutes 2014, section 126C.10, subdivision 1, is amended to read:

6.10 Subdivision 1. **General education revenue.** ~~(a) For fiscal years 2013 and 2014, the~~
6.11 ~~general education revenue for each district equals the sum of the district's basic revenue,~~
6.12 ~~extended time revenue, gifted and talented revenue, small schools revenue, basic skills~~
6.13 ~~revenue, secondary sparsity revenue, elementary sparsity revenue, transportation sparsity~~
6.14 ~~revenue, total operating capital revenue, equity revenue, alternative teacher compensation~~
6.15 ~~revenue, and transition revenue.~~

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

6.22 Sec. 7. Minnesota Statutes 2014, section 126C.10, subdivision 2, is amended to read:

6.23 Subd. 2. **Basic revenue.** ~~For fiscal year 2014, the basic revenue for each district~~
6.24 ~~equals the formula allowance times the adjusted marginal cost pupil units for the school~~
6.25 ~~year. For fiscal year 2015 and later, the basic revenue for each district equals the formula~~
6.26 ~~allowance times the adjusted pupil units for the school year. The formula allowance for~~
6.27 ~~fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The~~
6.28 ~~formula allowance for fiscal year 2015 and later is \$5,831. The formula allowance for~~
6.29 ~~fiscal year 2016 is \$5,889. The formula allowance for fiscal year 2017 and later is \$5,948.~~

6.30 Sec. 8. Minnesota Statutes 2014, section 126C.10, subdivision 2a, is amended to read:

6.31 Subd. 2a. **Extended time support revenue.** ~~(a) A school district's extended time~~
6.32 ~~revenue for fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted~~
6.33 ~~marginal cost pupil units of the district for each pupil in average daily membership in excess~~

7.1 ~~of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.~~ A school district's
 7.2 extended time support revenue for fiscal year 2015 and later is equal to the product of
 7.3 \$5,017 and the sum of the adjusted pupil units of the district for each pupil in average daily
 7.4 membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

7.5 (b) A school district's extended time support revenue may be used for extended day
 7.6 programs, extended week programs, summer school, and other programming authorized
 7.7 under the learning year program. Extended support revenue may also be used by alternative
 7.8 learning centers serving high school students for academic purposes during the school day.

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

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

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

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

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

7.21 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal
 7.22 year 2015 and later, a district may levy an amount not more than the product of its operating
 7.23 capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax
 7.24 capacity per adjusted marginal cost pupil unit to the operating capital equalizing factor. The
 7.25 operating capital equalizing factor equals \$14,500 for fiscal years 2015 and 2016, \$38,650
 7.26 for fiscal year 2017, \$47,700 for fiscal year 2018, and \$50,550 for fiscal year 2019 and later.

7.27 Sec. 11. **APPROPRIATIONS.**

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

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

8.1 \$ 6,569,736,000 2016

8.2 \$ 6,979,228,000 2017

8.3 The 2016 appropriation includes \$622,907,000 for 2015 and \$5,946,829,000 for
8.4 2016.

8.5 The 2017 appropriation includes \$632,711,000 for 2016 and \$6,346,517,000 for 2017.

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

8.9 \$ 39,000 2016

8.10 \$ 42,000 2017

8.11 Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
8.12 127A.49:

8.13 \$ 2,740,000 2016

8.14 \$ 2,932,000 2017

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

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

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

8.19 \$ 292,000 2016

8.20 \$ 165,000 2017

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

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

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

8.25 \$ 16,819,000 2016

8.26 \$ 17,338,000 2017

8.27 The 2016 appropriation includes \$1,575,000 for 2015 and \$15,244,000 for 2016.

8.28 The 2017 appropriation includes \$1,692,000 for 2016 and \$15,646,000 for 2017.

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

8.31 \$ 17,488,000 2016

8.32 \$ 17,464,000 2017

8.33 The 2016 appropriation includes \$1,816,000 for 2015 and \$15,672,000 for 2016.

9.1 The 2017 appropriation includes \$1,740,000 for 2016 and \$15,724,000 for 2017.

9.2 Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No.
 9.3 690, Warroad, to operate the Angle Inlet School:

9.4 \$ 65,000 2016

9.5 \$ 65,000 2017

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

9.9 \$ 2,325,000 2016

9.10 \$ 2,325,000 2017

9.11 Of this amount, \$1,500,000 in each year is for a grant to Independent School District
 9.12 No. 11, Anoka-Hennepin; \$75,000 in each year is for a grant to Independent School
 9.13 District No. 286, Brooklyn Center; \$210,000 in each year is for a grant to Independent
 9.14 School District No. 279, Osseo; \$160,000 in each year is for a grant to Independent
 9.15 School District No. 281, Robbinsdale; \$165,000 in each year is for a grant to Independent
 9.16 School District No. 535, Rochester; \$65,000 in each year is for a grant to Independent
 9.17 School District No. 833, South Washington; and \$150,000 in each year is for a grant to
 9.18 Independent School District No. 241, Albert Lea.

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

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

9.23 \$ 5,420,000 2016

9.24 \$ 4,405,000 2017

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

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

9.27 **ARTICLE 2**

9.28 **EDUCATION EXCELLENCE**

9.29 Section 1. Minnesota Statutes 2014, section 119B.011, subdivision 15, is amended to
 9.30 read:

9.31 Subd. 15. **Income.** "Income" means earned or unearned income received by all
 9.32 family members, including public assistance cash benefits and at-home infant child
 9.33 care subsidy payments, unless specifically excluded and child support and maintenance

10.1 distributed to the family under section 256.741, subdivision 15. The following are excluded
 10.2 from income: funds used to pay for health insurance premiums for family members,
 10.3 Supplemental Security Income, scholarships, work-study income, ~~and grants,~~ and other
 10.4 financial assistance, including loan forgiveness, that cover costs or reimbursement for
 10.5 tuition, fees, books, and educational supplies; student loans for tuition, fees, books,
 10.6 supplies, and living expenses; state and federal earned income tax credits; assistance
 10.7 specifically excluded as income by law; in-kind income such as food support, energy
 10.8 assistance, foster care assistance, medical assistance, child care assistance, and housing
 10.9 subsidies; earned income of full-time or part-time students up to the age of 19, who have not
 10.10 earned a high school diploma or GED high school equivalency diploma including earnings
 10.11 from summer employment; grant awards under the family subsidy program; nonrecurring
 10.12 lump-sum income only to the extent that it is earmarked and used for the purpose for which
 10.13 it is paid; and any income assigned to the public authority according to section 256.741.

10.14 Sec. 2. Minnesota Statutes 2014, section 122A.63, subdivision 4, is amended to read:

10.15 Subd. 4. **Grant amount.** The commissioner may award a joint grant in the amount
 10.16 it determines to be appropriate. The grant shall include money for the postsecondary
 10.17 institution, school district, and student scholarships, ~~and student loans.~~ The commissioner
 10.18 may reallocate any unspent funds to one or more of the four joint grant recipients
 10.19 identified in subdivision 1.

10.20 Sec. 3. Minnesota Statutes 2014, section 122A.63, subdivision 5, is amended to read:

10.21 Subd. 5. **Information to student applicants.** At the time a student applies for
 10.22 a scholarship ~~and loan,~~ the student shall be provided information about the fields of
 10.23 licensure needed by school districts in the part of the state within which the district
 10.24 receiving the joint grant is located. The information shall be acquired and periodically
 10.25 updated by the recipients of the joint grant. Information provided to students shall clearly
 10.26 state that scholarship ~~and loan~~ decisions are not based upon the field of licensure selected
 10.27 by the student.

10.28 Sec. 4. Minnesota Statutes 2014, section 122A.63, subdivision 6, is amended to read:

10.29 Subd. 6. **Eligibility for scholarships and loans.** The following American Indian
 10.30 people are eligible for scholarships:

10.31 (1) a student, including a teacher aide employed by a district receiving a joint grant,
 10.32 who intends to become a teacher and who is enrolled in a postsecondary institution
 10.33 receiving a joint grant;

11.1 (2) a licensed employee of a district receiving a joint grant, who is enrolled in a
11.2 master of education program; and

11.3 (3) a student who, after applying for federal and state financial aid and ~~an~~ the
11.4 Minnesota Indian scholarship according to section 136A.126, has ~~financial needs that~~
11.5 remain unmet. financial need shall be determined according to the congressional
11.6 methodology for needs determination or as otherwise set in federal law as defined by
11.7 section 136A.101.

11.8 ~~A person who has actual living expenses in addition to those addressed by the~~
11.9 ~~congressional methodology for needs determination, or as otherwise set in federal law,~~
11.10 ~~may receive a loan according to criteria established by the commissioner. A contract shall~~
11.11 ~~be executed between the state and the student for the amount and terms of the loan.~~

11.12 Sec. 5. [122A.80] TEACHMN.

11.13 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
11.14 have the meanings given.

11.15 (b) "High needs area" means a high needs area as defined in the Department of
11.16 Education biannual teacher supply and demand report under section 127A.05, subdivision
11.17 6, or other surveys conducted by the Department of Education that provide indicators for
11.18 teacher supply and demand needs not captured by the teacher supply and demand report.

11.19 (c) "High needs school" means a school that:

11.20 (1) is a focus or priority school under the multiple measurement rating;

11.21 (2) has a concentration of students above the state average for free and reduced-price
11.22 lunch; or

11.23 (3) is geographically isolated and experiencing a teacher shortage.

11.24 (d) "Qualified candidate" means a teacher candidate enrolled in a Minnesota teacher
11.25 licensure program who meets the program eligibility requirements in subdivision 3 and in
11.26 rules or procedures adopted under subdivision 7.

11.27 Subd. 2. **Account.** An account is created within the Office of Higher Education
11.28 to disburse fixed-rate forgivable loans to qualified candidates under this section. Unused
11.29 funds appropriated to the Department of Education and transferred to the Office of Higher
11.30 Education in a given fiscal year will be carried over for loans and program administrative
11.31 costs in future years. Principal and interest payments on unforgiven loans shall be credited
11.32 to the account and shall be carried over and do not cancel and may be used for administrative
11.33 program costs not covered by the appropriated amount and for issuing new loans.

11.34 Subd. 3. **Eligibility.** A candidate may apply to the commissioner of the Office of
11.35 Higher Education to receive a forgivable loan under this section. The commissioner must

12.1 award loans to candidates enrolling in programs in high needs areas and to candidates
12.2 expressing interest in teaching in high needs schools based on shortages and geographical
12.3 distribution, and must take into consideration diversifying the teacher workforce. The
12.4 application must include a letter of support or character reference from a professional
12.5 supervisor or colleague or academic professor who is not related to the applicant.

12.6 Subd. 4. **Loan requirements.** Interest accrues both during and after a borrower's
12.7 postsecondary enrollment and is capitalized at the time of repayment. At the time of
12.8 receiving the loan, a candidate must commit to seeking a qualified position in a Minnesota
12.9 school district for four years upon completion of teacher preparation as a full-time teacher
12.10 as verified through the Staff Automated Reporting (STAR) system. Candidates who do not
12.11 complete the four-year service commitment may be required to repay the loan.

12.12 Subd. 5. **Usage.** The loan may only be used for tuition and related living and
12.13 miscellaneous expenses required to complete teacher preparation and attain licensure.

12.14 Subd. 6. **Forgiveness and repayment.** (a) If a borrower's eligibility for the loan
12.15 is based on the candidate's enrollment in a program in a high needs area, the borrower's
12.16 student loan payment shall be deferred if the candidate completed the program and obtains
12.17 a full-time position in that discipline. Upon completing four years of teaching in that
12.18 discipline, the loan obligation shall be forgiven in the full amount of principal plus accrued
12.19 interest. Except as allowed under paragraph (c), a student borrower has up to five years
12.20 from graduation or school termination to fulfill the teaching obligation.

12.21 (b) If a borrower's eligibility for the loan is based on the candidate's employment in
12.22 a high needs school, the borrower's student loan payment shall be deferred if the candidate
12.23 obtains a full-time position in a high needs school at the time of hire. Upon completing
12.24 four years of teaching at that school or another high needs school at the time of hire, the
12.25 loan obligation shall be forgiven in the full amount of principal plus accrued interest.
12.26 Except as allowed under paragraph (c), a student borrower has up to five years from
12.27 graduation or school termination to fulfill the teaching obligation.

12.28 (c) An appeals process shall be established for special circumstances, such as a
12.29 temporary medical leave of absence or layoff, which may allow the qualifying term to be
12.30 extended.

12.31 (d) For loans not in deferral under paragraph (a) or (b), loan payments are deferred
12.32 for up to 12 months or until the borrower obtains employment in a nonqualified position,
12.33 whichever is first. At that time, monthly loan payments will be required from the borrower
12.34 until the loan is paid in full or the loan is deferred under paragraph (a) or (b).

13.1 Subd. 7. **Rulemaking.** The commissioner of education shall adopt rules or
 13.2 procedures, in consultation with the Office of Higher Education, to implement this section,
 13.3 including:

- 13.4 (1) additional eligibility and renewal criteria;
 13.5 (2) annual and lifetime maximum awards per student;
 13.6 (3) how the loan funds will be disbursed;
 13.7 (4) the interest rate for the loans;
 13.8 (5) service fulfillment and repayment criteria; and
 13.9 (6) an appeals process consistent with subdivision 6.

13.10 Sec. 6. **[122A.81] STEPPING UP FOR KIDS; FINANCIAL ASSISTANCE.**

13.11 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms
 13.12 have the meanings given.

13.13 (b) "High needs area" means a high needs area as defined in the Department of
 13.14 Education biannual teacher supply and demand report under section 127A.05, subdivision
 13.15 6, or other surveys conducted by the Department of Education that provide indicators for
 13.16 teacher supply and demand needs not captured by the teacher supply and demand report.

13.17 (c) "High needs school" means a school that:

- 13.18 (1) is a focus or priority school under the multiple measurement rating;
 13.19 (2) has a concentration of students above the state average for free and reduced-price
 13.20 lunch; or

13.21 (3) is geographically isolated and experiencing a teacher shortage.

13.22 (d) "Qualified candidate" means a paraprofessional currently employed in a
 13.23 Minnesota school who has been admitted to a Minnesota teacher licensure program and
 13.24 meets the program eligibility requirements in subdivision 3 and in rules adopted under
 13.25 subdivision 5.

13.26 Subd. 2. **Account.** An account is created within the Office of Higher Education
 13.27 to disburse financial assistance for paraprofessionals when enrolled in a program in
 13.28 Minnesota leading to teacher licensure. Unused funds appropriated to the Department of
 13.29 Education in a given fiscal year shall be transferred to the Office of Higher Education and
 13.30 carried over for stepping up for kids financial assistance and program and administrative
 13.31 costs in future years.

13.32 Subd. 3. **Eligibility.** (a) A qualified candidate may apply to the commissioner of
 13.33 the Office of Higher Education to receive financial assistance under this section. The
 13.34 commissioner of the Office of Higher Education shall award financial assistance in high
 13.35 needs areas and high needs schools based on shortages, geographical distribution, or other

14.1 surveys conducted by the Department of Education and must take into consideration
 14.2 diversifying the teacher workforce. The application must include a letter of support from
 14.3 the school district administrator where the paraprofessional is employed.

14.4 (b) Candidates must commit to remain employed in a Minnesota school district for
 14.5 four years upon completion of teacher preparation as verified through the Staff Automated
 14.6 Reporting (STAR) system. Candidates who do not complete the four-year service
 14.7 commitment may be required to repay the financial assistance.

14.8 Subd. 4. **Usage.** The financial assistance may only be used for tuition and related
 14.9 living and miscellaneous expenses required to complete teacher preparation and attain
 14.10 licensure.

14.11 Subd. 5. **Rulemaking.** The commissioner of education shall adopt rules or
 14.12 procedures, in consultation with the Office of Higher Education, to implement this section,
 14.13 including:

- 14.14 (1) additional eligibility and renewal criteria;
 14.15 (2) annual and lifetime maximum awards per student; and
 14.16 (3) service fulfillment and repayment criteria.

14.17 Sec. 7. Minnesota Statutes 2014, section 124D.42, subdivision 8, is amended to read:

14.18 Subd. 8. **Minnesota reading corps program.** (a) A Minnesota reading corps
 14.19 program is established to provide ServeMinnesota AmeriCorps members with a
 14.20 data-based problem-solving model of literacy instruction to use in helping to train local
 14.21 Head Start program providers, other prekindergarten program providers, and staff in
 14.22 schools with students in kindergarten through grade 3 to evaluate and teach early literacy
 14.23 skills, including comprehensive, scientifically based reading instruction under section
 14.24 122A.06, subdivision 4, to children age 3 to grade 3. Priority shall be given to placing
 14.25 AmeriCorps members in prekindergarten, kindergarten, and first grade programs in any of
 14.26 the following: (1) "Focus" or "Priority" schools under the multiple measurements rating;
 14.27 or (2) federal School Improvement Grant recipients.

14.28 (b) Literacy programs under this subdivision must comply with the provisions
 14.29 governing literacy program goals and data use under section 119A.50, subdivision 3,
 14.30 paragraph (b).

14.31 (c) The commission must submit a biennial report to the committees of the
 14.32 legislature with jurisdiction over kindergarten through grade 12 education that records and
 14.33 evaluates program data to determine the efficacy of the programs under this subdivision.

14.34 Sec. 8. Minnesota Statutes 2014, section 124D.81, is amended to read:

15.1 **124D.81 CONTINUATION OF AMERICAN INDIAN EDUCATION GRANTS**
 15.2 **AID.**

15.3 Subdivision 1. **Grants; Procedures.** ~~Each fiscal year the commissioner of education~~
 15.4 ~~must make grants to no fewer than six American Indian education programs. At least~~
 15.5 ~~three programs must be in urban areas and at least three must be on or near reservations.~~
 15.6 ~~The board of a local district, a participating school or a group of boards may develop a~~
 15.7 ~~proposal for grants in support of American Indian education programs. Proposals (a) A~~
 15.8 ~~school district, charter school, or American Indian-controlled tribal contract or grant~~
 15.9 ~~school enrolling at least 20 American Indian students on October 1 of the previous school~~
 15.10 ~~year and operating an American Indian education program according to section 124D.74 is~~
 15.11 ~~eligible for Indian education aid if it meets the requirements of this section. Programs may~~
 15.12 ~~provide for contracts for the provision of program components by nonsectarian nonpublic,~~
 15.13 ~~community, tribal, charter, or alternative schools. The commissioner shall prescribe the~~
 15.14 ~~form and manner of application for grants aids, and no grant aid shall be made for a~~
 15.15 ~~proposal program not complying with the requirements of sections 124D.71 to 124D.82.~~

15.16 Subd. 2. **Plans.** ~~Each~~ To qualify for aid, an eligible district, charter school, or
 15.17 ~~participating tribal contract school submitting a proposal under subdivision 1 must~~
 15.18 ~~develop and submit with the proposal a plan for approval by the Indian education director~~
 15.19 ~~which that shall:~~

15.20 (a) Identify the measures to be used to meet the requirements of sections 124D.71 to
 15.21 124D.82;

15.22 (b) Identify the activities, methods and programs to meet the identified educational
 15.23 needs of the children to be enrolled in the program;

15.24 (c) Describe how district goals and objectives as well as the objectives of sections
 15.25 124D.71 to 124D.82 are to be achieved;

15.26 (d) Demonstrate that required and elective courses as structured do not have a
 15.27 discriminatory effect within the meaning of section 124D.74, subdivision 5;

15.28 (e) Describe how each school program will be organized, staffed, coordinated,
 15.29 and monitored; and

15.30 (f) Project expenditures for programs under sections 124D.71 to 124D.82.

15.31 Subd. 2a. **American Indian education aid.** (a) The American Indian education aid
 15.32 for an eligible district or tribal contract school equals the greater of (1) the sum of \$20,000
 15.33 plus the product of \$405 times the difference between the number of American Indian
 15.34 students enrolled on October 1 of the previous school year and 20; or (2) if the district or
 15.35 school received a grant under this section for fiscal year 2015, the amount of the grant
 15.36 for fiscal year 2015.

16.1 (b) Notwithstanding paragraph (a), the American Indian education aid must not
16.2 exceed the district or tribal contract school's actual expenditure according to the approved
16.3 plan under subdivision 2.

16.4 Subd. 3. **Additional requirements.** Each district receiving a grant aid under this
16.5 section must each year conduct a count of American Indian children in the schools
16.6 of the district; test for achievement; identify the extent of other educational needs of
16.7 the children to be enrolled in the American Indian education program; and classify the
16.8 American Indian children by grade, level of educational attainment, age and achievement.
16.9 Participating schools must maintain records concerning the needs and achievements of
16.10 American Indian children served.

16.11 Subd. 4. **Nondiscrimination; testing.** In accordance with recognized professional
16.12 standards, all testing and evaluation materials and procedures utilized for the identification,
16.13 testing, assessment, and classification of American Indian children must be selected and
16.14 administered so as not to be racially or culturally discriminatory and must be valid for the
16.15 purpose of identifying, testing, assessing, and classifying American Indian children.

16.16 Subd. 5. **Records.** Participating schools and districts must keep records and afford
16.17 access to them as the commissioner finds necessary to ensure that American Indian
16.18 education programs are implemented in conformity with sections 124D.71 to 124D.82.
16.19 Each school district or participating school must keep accurate, detailed, and separate
16.20 revenue and expenditure accounts for pilot American Indian education programs funded
16.21 under this section.

16.22 Subd. 6. **Money from other sources.** A district or participating school providing
16.23 American Indian education programs shall be eligible to receive moneys for these programs
16.24 from other government agencies and from private sources when the moneys are available.

16.25 Subd. 7. **Exceptions.** Nothing in sections 124D.71 to 124D.82 shall be construed as
16.26 prohibiting a district or school from implementing an American Indian education program
16.27 which is not in compliance with sections 124D.71 to 124D.82 if the proposal and plan for
16.28 that program is not funded pursuant to this section.

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

16.31 Sec. 9. Minnesota Statutes 2014, section 124D.83, subdivision 2, is amended to read:

16.32 Subd. 2. **Revenue amount.** An American Indian-controlled tribal contract or
16.33 grant school that is located on a reservation within the state and that complies with the
16.34 requirements in subdivision 1 is eligible to receive tribal contract or grant school aid.
16.35 The amount of aid is derived by:

17.1 (1) multiplying the formula allowance under section 126C.10, subdivision 2, less
 17.2 \$170, times the difference between (i) the resident pupil units as defined in section
 17.3 126C.05, subdivision 6, in average daily membership, excluding section 126C.05,
 17.4 subdivision 13, and (ii) the number of pupils for the current school year, weighted
 17.5 according to section 126C.05, subdivision 1, receiving benefits under section 123B.42 or
 17.6 123B.44 or for which the school is receiving reimbursement under section 124D.69;

17.7 (2) adding to the result in clause (1) an amount equal to the product of the formula
 17.8 allowance under section 126C.10, subdivision 2, less \$300 times the tribal contract
 17.9 compensation revenue pupil units;

17.10 (3) subtracting from the result in clause (2) the amount of money allotted to the
 17.11 school by the federal government through Indian School Equalization Program of the
 17.12 Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39,
 17.13 subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for
 17.14 the base rate as applied to kindergarten through twelfth grade, excluding small school
 17.15 adjustments and additional weighting, but not money allotted through subparts F to L for
 17.16 contingency funds, school board training, student training, interim maintenance and minor
 17.17 repair, interim administration cost, prekindergarten, and operation and maintenance, and
 17.18 the amount of money that is received according to section 124D.69;

17.19 (4) dividing the result in clause (3) by the sum of the resident pupil units in average
 17.20 daily membership, excluding section 126C.05, subdivision 13, plus the tribal contract
 17.21 compensation revenue pupil units; and

17.22 (5) multiplying the sum of the resident pupil units, including section 126C.05,
 17.23 subdivision 13, in average daily membership plus the tribal contract compensation revenue
 17.24 pupil units by the lesser of \$1,500 or the result in clause (4).

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

17.27 Sec. 10. Minnesota Statutes 2014, section 136A.162, is amended to read:

17.28 **136A.162 CLASSIFICATION OF DATA.**

17.29 (a) Except as provided in paragraphs (b) and (c), data on applicants for financial
 17.30 assistance collected and used by the office for student financial aid programs administered
 17.31 by that office, including the programs under sections 122A.80 and 122A.81, are private
 17.32 data on individuals as defined in section 13.02, subdivision 12.

17.33 (b) Data on applicants may be disclosed to the commissioner of human services to the
 17.34 extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5).

18.1 (c) The following data collected in the Minnesota supplemental loan program under
18.2 section 136A.1701 may be disclosed to a consumer credit reporting agency only if the
18.3 borrower and the cosigner give informed consent, according to section 13.05, subdivision
18.4 4, at the time of application for a loan:

- 18.5 (1) the lender-assigned borrower identification number;
- 18.6 (2) the name and address of borrower;
- 18.7 (3) the name and address of cosigner;
- 18.8 (4) the date the account is opened;
- 18.9 (5) the outstanding account balance;
- 18.10 (6) the dollar amount past due;
- 18.11 (7) the number of payments past due;
- 18.12 (8) the number of late payments in previous 12 months;
- 18.13 (9) the type of account;
- 18.14 (10) the responsibility for the account; and
- 18.15 (11) the status or remarks code.

18.16 Sec. 11. Minnesota Statutes 2014, section 256J.21, subdivision 2, is amended to read:

18.17 Subd. 2. **Income exclusions.** The following must be excluded in determining a
18.18 family's available income:

18.19 (1) payments for basic care, difficulty of care, and clothing allowances received for
18.20 providing family foster care to children or adults under Minnesota Rules, parts 9555.5050
18.21 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, payments for family foster care
18.22 for children under section 260C.4411 or chapter 256N, and payments received and used
18.23 for care and maintenance of a third-party beneficiary who is not a household member;

18.24 (2) reimbursements for employment training received through the Workforce
18.25 Investment Act of 1998, United States Code, title 20, chapter 73, section 9201;

18.26 (3) reimbursement for out-of-pocket expenses incurred while performing volunteer
18.27 services, jury duty, employment, or informal carpooling arrangements directly related to
18.28 employment;

18.29 (4) all educational assistance, including loan forgiveness, except the county agency
18.30 must count graduate student teaching assistantships, fellowships, and other similar paid
18.31 work as earned income and, after allowing deductions for any unmet and necessary
18.32 educational expenses, shall count scholarships or grants awarded to graduate students that
18.33 do not require teaching or research as unearned income;

18.34 (5) loans, regardless of purpose, from public or private lending institutions,
18.35 governmental lending institutions, or governmental agencies;

- 19.1 (6) loans from private individuals, regardless of purpose, provided an applicant or
19.2 participant documents that the lender expects repayment;
- 19.3 (7)(i) state income tax refunds; and
19.4 (ii) federal income tax refunds;
- 19.5 (8)(i) federal earned income credits;
19.6 (ii) Minnesota working family credits;
19.7 (iii) state homeowners and renters credits under chapter 290A; and
19.8 (iv) federal or state tax rebates;
- 19.9 (9) funds received for reimbursement, replacement, or rebate of personal or real
19.10 property when these payments are made by public agencies, awarded by a court, solicited
19.11 through public appeal, or made as a grant by a federal agency, state or local government,
19.12 or disaster assistance organizations, subsequent to a presidential declaration of disaster;
- 19.13 (10) the portion of an insurance settlement that is used to pay medical, funeral, and
19.14 burial expenses, or to repair or replace insured property;
- 19.15 (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- 19.16 (12) payments by a vocational rehabilitation program administered by the state
19.17 under chapter 268A, except those payments that are for current living expenses;
- 19.18 (13) in-kind income, including any payments directly made by a third party to a
19.19 provider of goods and services;
- 19.20 (14) assistance payments to correct underpayments, but only for the month in which
19.21 the payment is received;
- 19.22 (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- 19.23 (16) funeral and cemetery payments as provided by section 256.935;
- 19.24 (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in
19.25 a calendar month;
- 19.26 (18) any form of energy assistance payment made through Public Law 97-35,
19.27 Low-Income Home Energy Assistance Act of 1981, payments made directly to energy
19.28 providers by other public and private agencies, and any form of credit or rebate payment
19.29 issued by energy providers;
- 19.30 (19) Supplemental Security Income (SSI), including retroactive SSI payments and
19.31 other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;
- 19.32 (20) Minnesota supplemental aid, including retroactive payments;
- 19.33 (21) proceeds from the sale of real or personal property;
- 19.34 (22) adoption or kinship assistance payments under chapter 256N or 259A;
- 19.35 (23) state-funded family subsidy program payments made under section 252.32 to
19.36 help families care for children with developmental disabilities, consumer support grant

- 20.1 funds under section 256.476, and resources and services for a disabled household member
20.2 under one of the home and community-based waiver services programs under chapter 256B;
- 20.3 (24) interest payments and dividends from property that is not excluded from and
20.4 that does not exceed the asset limit;
- 20.5 (25) rent rebates;
- 20.6 (26) income earned by a minor caregiver, minor child through age 6, or a minor
20.7 child who is at least a half-time student in an approved elementary or secondary education
20.8 program;
- 20.9 (27) income earned by a caregiver under age 20 who is at least a half-time student in
20.10 an approved elementary or secondary education program;
- 20.11 (28) MFIP child care payments under section 119B.05;
- 20.12 (29) all other payments made through MFIP to support a caregiver's pursuit of
20.13 greater economic stability;
- 20.14 (30) income a participant receives related to shared living expenses;
- 20.15 (31) reverse mortgages;
- 20.16 (32) benefits provided by the Child Nutrition Act of 1966, United States Code, title
20.17 42, chapter 13A, sections 1771 to 1790;
- 20.18 (33) benefits provided by the women, infants, and children (WIC) nutrition program,
20.19 United States Code, title 42, chapter 13A, section 1786;
- 20.20 (34) benefits from the National School Lunch Act, United States Code, title 42,
20.21 chapter 13, sections 1751 to 1769e;
- 20.22 (35) relocation assistance for displaced persons under the Uniform Relocation
20.23 Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title
20.24 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States
20.25 Code, title 12, chapter 13, sections 1701 to 1750jj;
- 20.26 (36) benefits from the Trade Act of 1974, United States Code, title 19, chapter
20.27 12, part 2, sections 2271 to 2322;
- 20.28 (37) war reparations payments to Japanese Americans and Aleuts under United
20.29 States Code, title 50, sections 1989 to 1989d;
- 20.30 (38) payments to veterans or their dependents as a result of legal settlements
20.31 regarding Agent Orange or other chemical exposure under Public Law 101-239, section
20.32 10405, paragraph (a)(2)(E);
- 20.33 (39) income that is otherwise specifically excluded from MFIP consideration in
20.34 federal law, state law, or federal regulation;
- 20.35 (40) security and utility deposit refunds;

21.1 (41) American Indian tribal land settlements excluded under Public Laws 98-123,
 21.2 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech
 21.3 Lake, and Mille Lacs reservations and payments to members of the White Earth Band,
 21.4 under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

21.5 (42) all income of the minor parent's parents and stepparents when determining the
 21.6 grant for the minor parent in households that include a minor parent living with parents or
 21.7 stepparents on MFIP with other children;

21.8 (43) income of the minor parent's parents and stepparents equal to 200 percent of the
 21.9 federal poverty guideline for a family size not including the minor parent and the minor
 21.10 parent's child in households that include a minor parent living with parents or stepparents
 21.11 not on MFIP when determining the grant for the minor parent. The remainder of income is
 21.12 deemed as specified in section 256J.37, subdivision 1b;

21.13 (44) payments made to children eligible for relative custody assistance under section
 21.14 257.85;

21.15 (45) vendor payments for goods and services made on behalf of a client unless the
 21.16 client has the option of receiving the payment in cash;

21.17 (46) the principal portion of a contract for deed payment;

21.18 (47) cash payments to individuals enrolled for full-time service as a volunteer under
 21.19 AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps
 21.20 National, and AmeriCorps NCCC; and

21.21 (48) housing assistance grants under section 256J.35, paragraph (a).

21.22 Sec. 12. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

21.23 Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates,
 21.24 and trusts, there shall be subtracted from federal taxable income:

21.25 (1) net interest income on obligations of any authority, commission, or
 21.26 instrumentality of the United States to the extent includable in taxable income for federal
 21.27 income tax purposes but exempt from state income tax under the laws of the United States;

21.28 (2) if included in federal taxable income, the amount of any overpayment of income
 21.29 tax to Minnesota or to any other state, for any previous taxable year, whether the amount
 21.30 is received as a refund or as a credit to another taxable year's income tax liability;

21.31 (3) the amount paid to others, less the amount used to claim the credit allowed under
 21.32 section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten
 21.33 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and
 21.34 transportation of each qualifying child in attending an elementary or secondary school
 21.35 situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a

22.1 resident of this state may legally fulfill the state's compulsory attendance laws, which
22.2 is not operated for profit, and which adheres to the provisions of the Civil Rights Act
22.3 of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or
22.4 tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause,
22.5 "textbooks" includes books and other instructional materials and equipment purchased
22.6 or leased for use in elementary and secondary schools in teaching only those subjects
22.7 legally and commonly taught in public elementary and secondary schools in this state.
22.8 Equipment expenses qualifying for deduction includes expenses as defined and limited in
22.9 section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional
22.10 books and materials used in the teaching of religious tenets, doctrines, or worship, the
22.11 purpose of which is to instill such tenets, doctrines, or worship, nor does it include books
22.12 or materials for, or transportation to, extracurricular activities including sporting events,
22.13 musical or dramatic events, speech activities, driver's education, or similar programs. No
22.14 deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or
22.15 the qualifying child's vehicle to provide such transportation for a qualifying child. For
22.16 purposes of the subtraction provided by this clause, "qualifying child" has the meaning
22.17 given in section 32(c)(3) of the Internal Revenue Code;

22.18 (4) income as provided under section 290.0802;

22.19 (5) to the extent included in federal adjusted gross income, income realized on
22.20 disposition of property exempt from tax under section 290.491;

22.21 (6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E)
22.22 of the Internal Revenue Code in determining federal taxable income by an individual
22.23 who does not itemize deductions for federal income tax purposes for the taxable year, an
22.24 amount equal to 50 percent of the excess of charitable contributions over \$500 allowable
22.25 as a deduction for the taxable year under section 170(a) of the Internal Revenue Code,
22.26 under the provisions of Public Law 109-1 and Public Law 111-126;

22.27 (7) for individuals who are allowed a federal foreign tax credit for taxes that do not
22.28 qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover
22.29 of subnational foreign taxes for the taxable year, but not to exceed the total subnational
22.30 foreign taxes reported in claiming the foreign tax credit. For purposes of this clause,
22.31 "federal foreign tax credit" means the credit allowed under section 27 of the Internal
22.32 Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed
22.33 under section 904(c) of the Internal Revenue Code minus national level foreign taxes to
22.34 the extent they exceed the federal foreign tax credit;

22.35 (8) in each of the five tax years immediately following the tax year in which an
22.36 addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a

23.1 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
23.2 delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount
23.3 of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c,
23.4 clause (12), in the case of a shareholder of an S corporation, minus the positive value of
23.5 any net operating loss under section 172 of the Internal Revenue Code generated for the
23.6 tax year of the addition. The resulting delayed depreciation cannot be less than zero;

23.7 (9) job opportunity building zone income as provided under section 469.316;

23.8 (10) to the extent included in federal taxable income, the amount of compensation
23.9 paid to members of the Minnesota National Guard or other reserve components of the
23.10 United States military for active service, including compensation for services performed
23.11 under the Active Guard Reserve (AGR) program. For purposes of this clause, "active
23.12 service" means (i) state active service as defined in section 190.05, subdivision 5a, clause
23.13 (1); or (ii) federally funded state active service as defined in section 190.05, subdivision
23.14 5b, and "active service" includes service performed in accordance with section 190.08,
23.15 subdivision 3;

23.16 (11) to the extent included in federal taxable income, the amount of compensation
23.17 paid to Minnesota residents who are members of the armed forces of the United States
23.18 or United Nations for active duty performed under United States Code, title 10; or the
23.19 authority of the United Nations;

23.20 (12) an amount, not to exceed \$10,000, equal to qualified expenses related to a
23.21 qualified donor's donation, while living, of one or more of the qualified donor's organs
23.22 to another person for human organ transplantation. For purposes of this clause, "organ"
23.23 means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow;
23.24 "human organ transplantation" means the medical procedure by which transfer of a human
23.25 organ is made from the body of one person to the body of another person; "qualified
23.26 expenses" means unreimbursed expenses for both the individual and the qualified donor
23.27 for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses
23.28 may be subtracted under this clause only once; and "qualified donor" means the individual
23.29 or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An
23.30 individual may claim the subtraction in this clause for each instance of organ donation for
23.31 transplantation during the taxable year in which the qualified expenses occur;

23.32 (13) in each of the five tax years immediately following the tax year in which an
23.33 addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a
23.34 shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the
23.35 addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the
23.36 case of a shareholder of a corporation that is an S corporation, minus the positive value of

24.1 any net operating loss under section 172 of the Internal Revenue Code generated for the
24.2 tax year of the addition. If the net operating loss exceeds the addition for the tax year, a
24.3 subtraction is not allowed under this clause;

24.4 (14) to the extent included in the federal taxable income of a nonresident of
24.5 Minnesota, compensation paid to a service member as defined in United States Code, title
24.6 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief
24.7 Act, Public Law 108-189, section 101(2);

24.8 (15) to the extent included in federal taxable income, the amount of national service
24.9 educational awards received from the National Service Trust under United States Code,
24.10 title 42, sections 12601 to 12604, for service in an approved Americorps National Service
24.11 program;

24.12 (16) to the extent included in federal taxable income, discharge of indebtedness
24.13 income resulting from reacquisition of business indebtedness included in federal taxable
24.14 income under section 108(i) of the Internal Revenue Code. This subtraction applies only
24.15 to the extent that the income was included in net income in a prior year as a result of the
24.16 addition under subdivision 19a, clause (13);

24.17 (17) the amount of the net operating loss allowed under section 290.095, subdivision
24.18 11, paragraph (c);

24.19 (18) the amount of expenses not allowed for federal income tax purposes due
24.20 to claiming the railroad track maintenance credit under section 45G(a) of the Internal
24.21 Revenue Code;

24.22 (19) the amount of the limitation on itemized deductions under section 68(b) of the
24.23 Internal Revenue Code;

24.24 (20) the amount of the phaseout of personal exemptions under section 151(d) of
24.25 the Internal Revenue Code; ~~and~~

24.26 (21) to the extent included in federal taxable income, the amount of qualified
24.27 transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal
24.28 Revenue Code. The subtraction is limited to the lesser of the amount of qualified
24.29 transportation fringe benefits received in excess of the limitations under section
24.30 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the
24.31 maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal
24.32 Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A)
24.33 of the Internal Revenue Code;

24.34 (22) to the extent included in federal taxable income, the amount of any loan
24.35 forgiveness under section 122A.80 for the TeachMN program; and

25.1 (23) to the extent included in federal taxable income, the amount of any financial
25.2 assistance paid under section 122A.81 for the stepping up for kids program.

25.3 **EFFECTIVE DATE.** This section is effective for taxable years beginning after
25.4 December 31, 2014.

25.5 Sec. 13. **APPROPRIATIONS.**

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

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

25.10 \$ 66,787,000 2016

25.11 \$ 77,148,000 2017

25.12 The 2016 appropriation includes \$6,032,000 for 2015 and \$60,755,000 for 2016.

25.13 The 2017 appropriation includes \$6,750,000 for 2016 and \$70,398,000 for 2017.

25.14 Subd. 3. **Achievement and integration aid.** For integration aid under Minnesota
25.15 Statutes, section 124D.862:

25.16 \$ 65,539,000 2016

25.17 \$ 71,464,000 2017

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

25.19 The 2017 appropriation includes \$6,573,000 for 2016 and \$64,891,000 for 2017.

25.20 Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota
25.21 Statutes, section 124D.98:

25.22 \$ 44,552,000 2016

25.23 \$ 45,508,000 2017

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

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

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

25.29 \$ 15,023,000 2016

25.30 \$ 15,825,000 2017

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

26.3 \$ 213,000 2016

26.4 The 2016 appropriation includes \$213,000 for 2015 and \$0 for 2016.

26.5 Subd. 7. **American Indian education aid.** For American Indian education aid
 26.6 under Minnesota Statutes, section 124D.81, subdivision 2a:

26.7 \$ 9,281,000 2016

26.8 \$ 9,665,000 2017

26.9 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist
 26.10 American Indian people to become teachers under Minnesota Statutes, section 122A.63:

26.11 \$ 280,000 2016

26.12 \$ 280,000 2017

26.13 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
 26.14 Statutes, section 124D.83:

26.15 \$ 4,457,000 2016

26.16 \$ 5,201,000 2017

26.17 The 2016 appropriation includes \$204,000 for 2015 and \$4,253,000 for 2016.

26.18 The 2017 appropriation includes \$688,000 for 2016 and \$4,513,000 for 2017.

26.19 Subd. 10. **Early childhood programs at tribal schools.** For early childhood
 26.20 family education programs at tribal contract schools under Minnesota Statutes, section
 26.21 124D.83, subdivision 4:

26.22 \$ 68,000 2016

26.23 \$ 68,000 2017

26.24 Subd. 11. **Statewide testing and reporting system.** For the statewide testing and
 26.25 reporting system under Minnesota Statutes, section 120B.30:

26.26 \$ 21,001,000 2016

26.27 \$ 21,001,000 2017

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

26.29 Subd. 12. **Examination fees; teacher training and support programs.** (a) For
 26.30 students' advanced placement and international baccalaureate examination fees under
 26.31 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs

27.1 for teachers and other interested educators under Minnesota Statutes, section 120B.13,
 27.2 subdivision 1:

27.3 \$ 4,500,000 2016

27.4 \$ 4,500,000 2017

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

27.12 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least
 27.13 \$500,000 each year is for teachers to attend subject matter summer training programs
 27.14 and follow-up support workshops approved by the advanced placement or international
 27.15 baccalaureate programs. The amount of the subsidy for each teacher attending an
 27.16 advanced placement or international baccalaureate summer training program or workshop
 27.17 shall be the same. The commissioner shall determine the payment process and the amount
 27.18 of the subsidy.

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

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

27.24 Subd. 13. **Concurrent enrollment program.** For concurrent enrollment programs
 27.25 under Minnesota Statutes, section 124D.091:

27.26 \$ 2,000,000 2016

27.27 \$ 2,000,000 2017

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

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

27.31 Subd. 14. **Collaborative urban educator.** For the collaborative urban educator
 27.32 grant program:

27.33 \$ 780,000 2016

27.34 \$ 780,000 2017

28.1 \$195,000 each year is for the Southeast Asian teacher program at Concordia
 28.2 University, St. Paul; \$175,000 each year is for the collaborative urban educator program
 28.3 at the University of St. Thomas; \$195,000 each year is for the Center for Excellence in
 28.4 Urban Teaching at Hamline University; and \$195,000 each year is for the East Africa
 28.5 Student to Teacher program at Augsburg College.

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

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

28.10 Subd. 15. **ServeMinnesota program.** For funding ServeMinnesota programs under
 28.11 Minnesota Statutes, sections 124D.37 to 124D.45:

28.12 \$ 900,000 2016

28.13 \$ 900,000 2017

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

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

28.18 \$ 725,000 2016

28.19 \$ 725,000 2017

28.20 \$96,000 each year is for student organizations serving health occupations.

28.21 \$43,000 each year is for student organizations serving service occupations.

28.22 \$100,000 each year is for student organizations serving trade and industry
 28.23 occupations.

28.24 \$95,000 each year is for student organizations serving business occupations.

28.25 \$150,000 each year is for student organizations serving agriculture occupations.

28.26 \$142,000 each year is for student organizations serving family and consumer science
 28.27 occupations.

28.28 \$109,000 each year is for student organizations serving marketing occupations.

28.29 \$40,000 each year is for the Minnesota Foundation for Student Organizations.

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

28.31 Subd. 17. **Early childhood literacy programs.** For early childhood literacy
 28.32 programs under Minnesota Statutes, section 119A.50, subdivision 3:

28.33 \$ 9,375,000 2016

28.34 \$ 9,375,000 2017

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

29.2 Subd. 18. **Minnesota math corps program.** For the Minnesota math corps program
 29.3 under Minnesota Statutes, section 124D.42, subdivision 9:

29.4 \$ 250,000 2016

29.5 \$ 250,000 2017

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

29.8 Subd. 19. **Alternative compensation.** For alternative teacher compensation aid
 29.9 under Minnesota Statutes, section 122A.415, subdivision 4:

29.10 \$ 78,331,000 2016

29.11 \$ 77,647,000 2017

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

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

29.14 Subd. 20. **Starbase MN.** For a grant to Starbase MN for rigorous science,
 29.15 technology, engineering, and math (STEM) program providing students in grades 4 to
 29.16 6 with a multisensory learning experience and a hands-on curriculum in an aerospace
 29.17 environment using state-of-the-art technology:

29.18 \$ 500,000 2016

29.19 \$ 500,000 2017

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

29.21 Subd. 21. **Civic education grants.** For grants to the Minnesota Civic Education
 29.22 Coalition: Kids Voting St. Paul, Learning Law and Democracy Foundation, and YMCA
 29.23 Youth in Government to provide civic education programs for Minnesota youth age 18
 29.24 and younger. Civic education is the study of constitutional principles and the democratic
 29.25 foundation of our national, state, and local institutions and the study of political processes
 29.26 and structures of government, grounded in the understanding of constitutional government
 29.27 under the rule of law:

29.28 \$ 125,000 2016

29.29 \$ 125,000 2017

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

29.31 Subd. 22. **Teacher development and evaluation.** For teacher development and
 29.32 evaluation revenue:

29.33 \$ 1,000,000 2016

30.1 The 2016 appropriation includes \$1,000,000 for 2015 and \$0 for 2016. This is a
 30.2 onetime appropriation and is available until expended.

30.3 Subd. 23. **Recovery program grants.** For recovery program grants under
 30.4 Minnesota Statutes, section 124D.695:

30.5 \$ 500,000 2016

30.6 \$ 500,000 2017

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

30.8 Subd. 24. **TeachMN.** For the TeachMN account under Minnesota Statutes, section
 30.9 122A.80, subdivision 2:

30.10 \$ 10,000,000 2016

30.11 \$ 10,000,000 2017

30.12 Up to six percent of the amount each year may be used for administrative costs of
 30.13 the Department of Education and the Office of Higher Education for administering the
 30.14 TeachMN loan program.

30.15 \$9,827,000 in fiscal year 2016 and \$9,867,000 in fiscal year 2017 are for a transfer
 30.16 to the Office of Higher Education for loan disbursement and administrative costs.

30.17 Unused funds appropriated to the Department of Education and transferred to the
 30.18 Office of Higher Education in a given fiscal year are carried over for the TeachMN loan
 30.19 program and program and administrative costs in future years.

30.20 Subd. 25. **Stepping up for kids.** For a transfer to the Office of Higher Education for
 30.21 the stepping up for kids financial assistance account under Minnesota Statutes, section
 30.22 122A.81, subdivision 2:

30.23 \$ 2,000,000 2016

30.24 \$ 2,000,000 2017

30.25 Up to six percent of the amount each year may be used for administrative costs of
 30.26 the Office of Higher Education to administer the stepping up for kids financial assistance
 30.27 program.

30.28 Unused funds appropriated to the Department of Education and transferred to the
 30.29 Office of Higher Education in a given fiscal year are carried over for stepping up for kids
 30.30 financial assistance and program and administrative costs in future years.

30.31 Sec. 14. **REPEALER.**

30.32 Minnesota Statutes 2014, section 122A.63, subdivisions 3, 7, and 8, are repealed for
 30.33 fiscal year 2016 and later.

31.1 **ARTICLE 3**

31.2 **SPECIAL EDUCATION**

31.3 Section 1. Minnesota Statutes 2014, section 125A.76, subdivision 1, is amended to read:

31.4 Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79,
31.5 the definitions in this subdivision apply.

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

31.9 (c) "Essential personnel" means teachers, cultural liaisons, related services, and
31.10 support services staff providing services to students. Essential personnel may also include
31.11 special education paraprofessionals or clericals providing support to teachers and students
31.12 by preparing paperwork and making arrangements related to special education compliance
31.13 requirements, including parent meetings and individualized education programs. Essential
31.14 personnel does not include administrators and supervisors.

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

31.16 (e) "Program growth factor" means 1.046 for fiscal years 2012 through 2015, 1.0
31.17 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program
31.18 growth factor for the previous year for fiscal year 2018 and later.

31.19 (f) "Nonfederal special education expenditure" means all direct expenditures that
31.20 are necessary and essential to meet the district's obligation to provide special instruction
31.21 and services to children with a disability according to sections 124D.454, 125A.03 to
31.22 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by
31.23 the department under section 125A.75, subdivision 4, excluding expenditures:

31.24 (1) reimbursed with federal funds;

31.25 (2) reimbursed with other state aids under this chapter;

31.26 (3) for general education costs of serving students with a disability;

31.27 (4) for facilities;

31.28 (5) for pupil transportation; and

31.29 (6) for postemployment benefits.

31.30 (g) "Old formula special education expenditures" means expenditures eligible for
31.31 revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

31.32 (h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy
31.33 for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and
31.34 fringe benefits of one-to-one instructional and behavior management aides and one-to-one
31.35 licensed, certified professionals assigned to a child attending the academy, if the aides or
31.36 professionals are required by the child's individualized education program.

32.1 (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014
32.2 and 2.27 percent for fiscal year 2015.

32.3 (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48
32.4 for fiscal year 2015.

32.5 (k) "Special education aid increase limit" means \$80 for fiscal year 2016, ~~\$100~~ \$160
32.6 for fiscal year 2017, \$204 for fiscal year 2018 and, for fiscal year ~~2018~~ 2019 and later, the
32.7 sum of the special education aid increase limit for the previous fiscal year and ~~\$40~~ \$44.

32.8 Sec. 2. Minnesota Statutes 2014, section 125A.76, subdivision 2a, is amended to read:

32.9 Subd. 2a. **Special education initial aid.** ~~For fiscal year 2016 and later,~~ A district's
32.10 special education initial aid equals the sum of:

32.11 (1) the least of 62 percent for fiscal year 2016 or 70 percent for fiscal year 2017 and
32.12 later of the district's old formula special education expenditures for the prior fiscal year,
32.13 excluding pupil transportation expenditures, 50 percent for fiscal year 2016 or 54 percent
32.14 for fiscal year 2017 and later of the district's nonfederal special education expenditures for
32.15 the prior year, excluding pupil transportation expenditures, or 56 percent for fiscal year
32.16 2016 or 60 percent for fiscal year 2017 and later of the product of the sum of the following
32.17 amounts, computed using prior fiscal year data, and the program growth factor:

32.18 (i) the product of the district's average daily membership served and the sum of:

32.19 (A) \$450; plus

32.20 (B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1
32.21 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1
32.22 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

32.23 (C) .008 times the district's average daily membership served; plus

32.24 (ii) \$10,400 times the December 1 child count for the primary disability areas of
32.25 autism spectrum disorders, developmental delay, and severely multiply impaired; plus

32.26 (iii) \$18,000 times the December 1 child count for the primary disability areas of
32.27 deaf and hard-of-hearing and emotional or behavioral disorders; plus

32.28 (iv) \$27,000 times the December 1 child count for the primary disability areas of
32.29 developmentally cognitive mild-moderate, developmentally cognitive severe-profound,
32.30 physically impaired, visually impaired, and deafblind; plus

32.31 (2) the cost of providing transportation services for children with disabilities under
32.32 section 123B.92, subdivision 1, paragraph (b), clause (4).

32.33 Sec. 3. Minnesota Statutes 2014, section 125A.79, subdivision 1, is amended to read:

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

33.3 (a) "Unreimbursed old formula special education expenditures" means:

33.4 (1) old formula special education expenditures for the prior fiscal year; minus

33.5 (2) for fiscal years 2014 and 2015, the sum of the special education aid under section
33.6 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under
33.7 section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education
33.8 initial aid under section 125A.76, subdivision 2a; minus

33.9 (3) for fiscal year 2016 and later, the amount of general education revenue, excluding
33.10 local optional revenue, plus local optional aid and referendum equalization aid for the
33.11 prior fiscal year attributable to pupils receiving special instruction and services outside the
33.12 regular classroom for more than 60 percent of the school day for the portion of time the
33.13 pupils receive special instruction and services outside the regular classroom, excluding
33.14 portions attributable to district and school administration, district support services,
33.15 operations and maintenance, capital expenditures, and pupil transportation.

33.16 (b) "Unreimbursed nonfederal special education expenditures" means:

33.17 (1) nonfederal special education expenditures for the prior fiscal year; minus

33.18 (2) special education initial aid under section 125A.76, subdivision 2a; minus

33.19 (3) the amount of general education revenue and referendum equalization aid for the
33.20 prior fiscal year attributable to pupils receiving special instruction and services outside the
33.21 regular classroom for more than 60 percent of the school day for the portion of time the
33.22 pupils receive special instruction and services outside of the regular classroom, excluding
33.23 portions attributable to district and school administration, district support services,
33.24 operations and maintenance, capital expenditures, and pupil transportation.

33.25 (c) "General revenue" for a school district means the sum of the general education
33.26 revenue according to section 126C.10, subdivision 1, excluding transportation sparsity
33.27 revenue, local optional revenue, and total operating capital revenue. "General revenue"
33.28 for a charter school means the sum of the general education revenue according to section
33.29 124D.11, subdivision 1, and transportation revenue according to section 124D.11,
33.30 subdivision 2, excluding referendum equalization aid, transportation sparsity revenue, and
33.31 operating capital revenue.

33.32 Sec. 4. Minnesota Statutes 2014, section 125A.79, subdivision 5, is amended to read:

33.33 Subd. 5. **Excess cost aid.** (a) For fiscal year 2016 ~~and later~~, a district's excess cost
33.34 aid equals the greater of:

34.1 (1) 56 percent of the difference between (i) the district's unreimbursed nonfederal
34.2 special education expenditures and (ii) 7.0 percent of the district's general revenue;

34.3 (2) 62 percent of the difference between (i) the district's unreimbursed old formula
34.4 special education expenditures and (ii) 2.5 percent of the district's general revenue; or

34.5 (3) zero.

34.6 (b) For fiscal year 2017 and later, a district's excess cost aid equals the greater of:

34.7 (1) 60 percent of the difference between (i) the district's unreimbursed nonfederal
34.8 special education expenditures and (ii) 7.0 percent of the district's general revenue for
34.9 fiscal year 2017 or 6.8 percent for fiscal year 2018 and later;

34.10 (2) 70 percent for fiscal year 2017, 71 percent for fiscal year 2018, and 72 percent
34.11 for fiscal year 2019 and later of the difference between (i) the district's unreimbursed old
34.12 formula special education expenditures and (ii) 2.23 percent for fiscal year 2017 and two
34.13 percent for fiscal year 2018 and later of the district's general revenue; or

34.14 (3) zero.

34.15 Sec. 5. **APPROPRIATIONS.**

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

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

34.21 \$ 1,170,508,000 2016

34.22 \$ 1,269,172,000 2017

34.23 The 2016 appropriation includes \$137,932,000 for 2015 and \$1,032,576,000 for
34.24 2016.

34.25 The 2017 appropriation includes \$145,356,000 for 2016 and \$1,123,816,000 for
34.26 2017.

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

34.30 \$ 1,406,000 2016

34.31 \$ 1,629,000 2017

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

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

35.3 \$ 361,000 2016

35.4 \$ 371,000 2017

35.5 The 2016 appropriation includes \$35,000 for 2015 and \$326,000 for 2016.

35.6 The 2017 appropriation includes \$36,000 for 2016 and \$335,000 for 2017.

35.7 Subd. 5. **Court-placed special education revenue.** For reimbursing serving school
 35.8 districts for unreimbursed eligible expenditures attributable to children placed in the serving
 35.9 school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

35.10 \$ 56,000 2016

35.11 \$ 57,000 2017

35.12 Subd. 6. **Special education out-of-state tuition.** For special education out-of-state
 35.13 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

35.14 \$ 250,000 2016

35.15 \$ 250,000 2017

35.16 Subd. 7. **Positive Behavioral Interventions and Supports (PBIS).** For
 35.17 implementation of schoolwide Positive Behavioral Interventions and Supports (PBIS) in
 35.18 schools and districts throughout Minnesota:

35.19 \$ 2,300,000 2016

35.20 \$ 2,300,000 2017

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

35.22 **ARTICLE 4**

35.23 **FACILITIES AND TECHNOLOGY**

35.24 Section 1. **APPROPRIATIONS.**

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

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

35.30 \$ 501,000 2016

35.31 \$ 470,000 2017

35.32 The 2016 appropriation includes \$66,000 for 2015 and \$435,000 for 2016.

36.1 The 2017 appropriation includes \$48,000 for 2016 and \$422,000 for 2017.

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

36.4 \$ 20,349,000 2016

36.5 \$ 22,171,000 2017

36.6 The 2016 appropriation includes \$2,295,000 for 2015 and \$18,054,000 for 2016.

36.7 The 2017 appropriation includes \$2,005,000 for 2016 and \$20,166,000 for 2017.

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

36.10 \$ 19,287,000 2016

36.11 \$ 19,287,000 2017

36.12 The 2016 appropriation includes \$1,928,000 for 2015 and \$17,359,000 for 2016.

36.13 The 2017 appropriation includes \$1,928,000 for 2016 and \$17,359,000 for 2017.

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

36.16 \$ 3,750,000 2016

36.17 \$ 3,750,000 2017

36.18 If the appropriation amount is insufficient, the commissioner shall reduce the
 36.19 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the
 36.20 revenue for fiscal years 2016 and 2017 shall be prorated.

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

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

36.24 \$ 3,520,000 2016

36.25 \$ 3,300,000 2017

36.26 The 2016 appropriation includes \$409,000 for 2015 and \$3,111,000 for 2016.

36.27 The 2017 appropriation includes \$345,000 for 2016 and \$2,955,000 for 2017.

36.28 **ARTICLE 5**

36.29 **NUTRITION AND ACCOUNTING**

36.30 Section 1. Minnesota Statutes 2014, section 124D.1158, subdivision 3, is amended to
 36.31 read:

36.32 Subd. 3. **Program reimbursement.** Each school year, the state must reimburse
 36.33 each participating school 30 cents for each reduced-price breakfast, 55 cents for each fully

37.1 paid breakfast served to students in grades ~~1 to~~ 4 through 12, and \$1.30 for each fully paid
 37.2 breakfast served to ~~a kindergarten student~~ students in prekindergarten through grade 3. A
 37.3 final claim for reimbursement shall be submitted to the commissioner not later than 60
 37.4 days following the last day of the full month covered by the claim. Claims not submitted
 37.5 within 60 days following the last day of the full month covered by the claim shall not be
 37.6 eligible for reimbursement, unless otherwise authorized by the commissioner.

37.7 Sec. 2. Minnesota Statutes 2014, section 127A.41, subdivision 8, is amended to read:

37.8 Subd. 8. **Appropriation transfers.** (a) If a direct appropriation from the general
 37.9 fund to the department for any education aid or grant authorized in this chapter and
 37.10 chapters 122A, 123A, 123B, 124D, 125A, 126C, and 134, excluding appropriations under
 37.11 sections 124D.135, ~~124D.16~~, 124D.20, 124D.22, 124D.52, 124D.531, 124D.55, and
 37.12 124D.56, exceeds the amount required, the commissioner may transfer the excess to any
 37.13 education aid or grant appropriation that is insufficient. However, section 126C.20 applies
 37.14 to a deficiency in the direct appropriation for general education aid. Excess appropriations
 37.15 must be allocated proportionately among aids or grants that have insufficient
 37.16 appropriations. The commissioner of management and budget shall make the necessary
 37.17 transfers among appropriations according to the determinations of the commissioner. If
 37.18 the amount of the direct appropriation for the aid or grant plus the amount transferred
 37.19 according to this subdivision is insufficient, the commissioner shall prorate the available
 37.20 amount among eligible districts. The state is not obligated for any additional amounts.

37.21 (b) Transfers for aids paid under section 127A.45, subdivisions 12, paragraph (a),
 37.22 12a, paragraph (a), and 13, shall be made during the fiscal year after the fiscal year of the
 37.23 entitlement. Transfers for aids paid under section 127A.45, subdivisions 11, 12, paragraph
 37.24 (b), and 12a, paragraph (b), shall be made during the fiscal year of the appropriation.

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

37.26 Sec. 3. Minnesota Statutes 2014, section 127A.41, subdivision 9, is amended to read:

37.27 Subd. 9. **Appropriation transfers for community education programs.** If a direct
 37.28 appropriation from the general fund to the Department of Education for an education aid
 37.29 or grant authorized under section 124D.135, ~~124D.16~~, 124D.20, 124D.22, 124D.52,
 37.30 124D.531, 124D.55, or 124D.56 exceeds the amount required, the commissioner of
 37.31 education may transfer the excess to any education aid or grant appropriation that is
 37.32 insufficiently funded under these sections. Excess appropriations shall be allocated
 37.33 proportionately among aids or grants that have insufficient appropriations. The
 37.34 commissioner of management and budget shall make the necessary transfers among

38.1 appropriations according to the determinations of the commissioner of education. If
 38.2 the amount of the direct appropriation for the aid or grant plus the amount transferred
 38.3 according to this subdivision is insufficient, the commissioner shall prorate the available
 38.4 amount among eligible districts. The state is not obligated for any additional amounts.

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

38.6 Sec. 4. **APPROPRIATIONS.**

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

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

38.12 \$ 15,661,000 2016

38.13 \$ 16,791,000 2017

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

38.16 \$ 22,646,000 2016

38.17 \$ 26,340,000 2017

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

38.20 \$ 942,000 2016

38.21 \$ 942,000 2017

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

38.24 \$ 150,000 2016

38.25 \$ 150,000 2017

38.26 **ARTICLE 6**

38.27 **LIBRARIES**

38.28 Section 1. Minnesota Statutes 2014, section 134.355, subdivision 8, is amended to read:

38.29 Subd. 8. **Eligibility.** A regional public library system may apply for regional
 38.30 library telecommunications aid on behalf of itself and member public libraries. The
 38.31 aid must be used for data and video access maintenance, equipment, or installation of

39.1 ~~telecommunication lines.~~ connections and other eligible nonvoice related e-rate program
 39.2 category 1 services. Aid may be used for e-rate program category 2 services, if sufficient
 39.3 funds remain once category 1 needs are met in each funding year. To be eligible, a
 39.4 regional public library system must be officially designated by the commissioner of
 39.5 education as a regional public library system as defined in section 134.34, subdivision 3,
 39.6 and each of its participating cities and counties must meet local support levels defined in
 39.7 section 134.34, subdivision 1. A public library building that receives aid under this section
 39.8 must be open a minimum of 20 hours per week. Exceptions to the minimum open hours
 39.9 requirement may be granted by the Department of Education on request of the regional
 39.10 public library system for the following circumstances: short-term closing for emergency
 39.11 maintenance and repairs following a natural disaster; in response to exceptional economic
 39.12 circumstances; building repair or maintenance that requires public services areas to be
 39.13 closed; or to adjust hours of public service to respond to documented seasonal use patterns.

39.14 Sec. 2. Minnesota Statutes 2014, section 134.355, subdivision 9, is amended to read:

39.15 Subd. 9. **Telecommunications aid.** An application for regional library
 39.16 telecommunications aid must, at a minimum, contain information to document the
 39.17 following:

39.18 (1) the connections are adequate and employ an open network architecture that
 39.19 will ensure interconnectivity and interoperability with school districts, postsecondary
 39.20 education, or other governmental agencies;

39.21 (2) that the connection is established through the most cost-effective means and that
 39.22 the regional library has explored and coordinated connections through school districts,
 39.23 postsecondary education, or other governmental agencies;

39.24 (3) that the regional library system ~~has~~ and all member libraries included in the
 39.25 application have filed an e-rate application; and

39.26 (4) other information, as determined by the commissioner of education, to ensure
 39.27 that connections are coordinated, efficient, and cost-effective, take advantage of discounts,
 39.28 and meet applicable state standards.

39.29 The library system may include costs associated with cooperative arrangements with
 39.30 postsecondary institutions, school districts, and other governmental agencies.

39.31 Sec. 3. Minnesota Statutes 2014, section 134.355, subdivision 10, is amended to read:

39.32 Subd. 10. **Award of funds.** The commissioner of education shall develop an
 39.33 application and a reporting form and procedures for regional library telecommunications
 39.34 aid. Aid shall be based on actual costs ~~of~~ including, but not limited to, connections as

40.1 documented in e-rate funding commitment decision letters and funds available for this
 40.2 purpose. The commissioner shall make payments directly to the regional public library
 40.3 system.

40.4 Sec. 4. **DEPARTMENT OF EDUCATION; LIBRARY APPROPRIATIONS.**

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

40.8 Subd. 2. **Basic system support.** For basic system support aid under Minnesota
 40.9 Statutes, section 134.355:

40.10 \$ 13,570,000 2016

40.11 \$ 13,570,000 2017

40.12 The 2016 appropriation includes \$1,357,000 for 2015 and \$12,213,000 for 2016.

40.13 The 2017 appropriation includes \$1,357,000 for 2016 and \$12,213,000 for 2017.

40.14 Subd. 3. **Multicounty, multitype library systems.** For aid under Minnesota
 40.15 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

40.16 \$ 1,300,000 2016

40.17 \$ 1,300,000 2017

40.18 The 2016 appropriation includes \$130,000 for 2015 and \$1,170,000 for 2016.

40.19 The 2017 appropriation includes \$130,000 for 2016 and \$1,170,000 for 2017.

40.20 Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online
 40.21 databases selected in cooperation with the Minnesota Office of Higher Education for
 40.22 school media centers, public libraries, state government agency libraries, and public
 40.23 or private college or university libraries:

40.24 \$ 900,000 2016

40.25 \$ 900,000 2017

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

40.27 Subd. 5. **Regional library telecommunications aid.** For regional library
 40.28 telecommunications aid under Minnesota Statutes, section 134.355:

40.29 \$ 2,300,000 2016

40.30 \$ 2,300,000 2017

40.31 The 2016 appropriation includes \$230,000 for 2015 and \$2,070,000 for 2016.

40.32 The 2017 appropriation includes \$230,000 for 2016 and \$2,070,000 for 2017.

41.1 **ARTICLE 7**

41.2 **EARLY CHILDHOOD EDUCATION**

41.3 Section 1. Minnesota Statutes 2014, section 124D.15, subdivision 5, is amended to read:

41.4 Subd. 5. **Services with new or existing providers.** A district may contract
 41.5 with a charter school or community-based organization to provide eligible children
 41.6 developmentally appropriate services that meet the program requirements in subdivision
 41.7 3. In the alternative, a district may pay tuition or fees to place an eligible child in an
 41.8 existing program. A district may establish a new program where no existing, reasonably
 41.9 accessible program meets the program requirements in subdivision 3. ~~Districts must~~
 41.10 ~~submit a copy of each contract to the commissioner with the biennial plan.~~ Services may
 41.11 be provided in a site-based program or in the home of the child or a combination of both.
 41.12 The district may not restrict participation to district residents.

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

41.14 Sec. 2. Minnesota Statutes 2014, section 124D.162, is amended to read:

41.15 **124D.162 KINDERGARTEN READINESS ASSESSMENT.**

41.16 ~~The commissioner of education may implement a kindergarten readiness assessment~~
 41.17 ~~representative of incoming kindergartners. The assessment must be based on the~~
 41.18 ~~Department of Education Kindergarten Readiness Assessment at kindergarten entrance~~
 41.19 ~~study. The commissioner of education must provide a process for measuring the~~
 41.20 kindergarten readiness of incoming kindergartners. Districts must choose from a menu of
 41.21 valid and reliable measurement instruments provided by the Department of Education that
 41.22 are aligned to the state early childhood indicators of progress and kindergarten standards
 41.23 that are based on the Department of Education Kindergarten Readiness Study and meet
 41.24 the World's Best Workforce goal of measuring school readiness.

41.25 Sec. 3. Minnesota Statutes 2014, section 124D.165, subdivision 2, is amended to read:

41.26 Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship,
 41.27 parents or guardians must meet the following eligibility requirements:

41.28 (1) have a child ~~three or four~~ under the age of five years of age old on September 1 of
 41.29 the current school year, who has not yet started kindergarten and is not currently enrolled
 41.30 in a prekindergarten program under section 124D.171; and

41.31 (2) have income equal to or less than 185 percent of federal poverty level income
 41.32 in the current calendar year, or be able to document their child's current participation in
 41.33 the free and reduced-price lunch program or child and adult care food program, National

42.1 School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food
 42.2 Distribution Program on Indian Reservations, Food and Nutrition Act, United States
 42.3 Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for
 42.4 School Readiness Act of 2007; Minnesota family investment program under chapter 256J;
 42.5 child care assistance programs under chapter 119B; the supplemental nutrition assistance
 42.6 program; or placement in foster care under section 260C.212.

42.7 (b) Notwithstanding the other provisions of this section, a parent under age 21 who
 42.8 is pursuing a high school or general education equivalency diploma is eligible for an early
 42.9 learning scholarship if the parent has a child age zero to five years old and meets the
 42.10 income eligibility guidelines in this subdivision.

42.11 (c) Any siblings between the ages zero to five years old of a child who has been
 42.12 awarded a scholarship under this section must be awarded a scholarship upon request,
 42.13 provided the sibling attends the same program as long as funds are available.

42.14 (d) A child who has received a scholarship under this section must continue to
 42.15 receive a scholarship each year until that child is eligible for kindergarten under section
 42.16 120A.20 and as long as funds are available.

42.17 (e) Early learning scholarships may not be counted as earned income for the
 42.18 purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L,
 42.19 Minnesota family investment program under chapter 256J, child care assistance programs
 42.20 under chapter 119B, or Head Start under the federal Improving Head Start for School
 42.21 Readiness Act of 2007.

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

42.23 Sec. 4. **[124D.173] HELP ME GROW.**

42.24 **Subdivision 1. Purpose.** The purpose of this section is to develop and implement a
 42.25 comprehensive, collaborative resource and referral system for children, prenatal through
 42.26 age eight, and their families.

42.27 **Subd. 2. Establishment and administration.** The commissioner of education shall
 42.28 provide funding and shall work collaboratively through interagency agreement with the
 42.29 commissioners of human services and health to implement this section and maintain
 42.30 annual affiliate status with the Help Me Grow National Center.

42.31 **Subd. 3. Duties.** (a) The Help Me Grow program shall facilitate collaboration across
 42.32 sectors, including child health, early learning and education, and family supports by:

42.33 (1) providing child health care provider outreach to support early detection,
 42.34 intervention, and knowledge about local resources;

43.1 (2) identifying and providing access to detection tools used to identify young
43.2 children at risk for developmental and behavioral problems; and

43.3 (3) linking children and families to appropriate community-based services.

43.4 (b) The Help Me Grow program shall provide community outreach that includes
43.5 support for, and participation in, the Help Me Grow system, including disseminating
43.6 information on the system and compiling and maintaining a resource directory that
43.7 includes, but is not limited to:

43.8 (1) primary and specialty medical care providers;

43.9 (2) early childhood education and child care programs;

43.10 (3) developmental disabilities assessment and intervention programs;

43.11 (4) mental health services;

43.12 (5) family and social support programs;

43.13 (6) child advocacy and legal services;

43.14 (7) public health services and resources; and

43.15 (8) other appropriate early childhood information.

43.16 (c) The Help Me Grow program shall develop a centralized access point for parents
43.17 and professionals to obtain information, resources, and other support services.

43.18 (d) The Help Me Grow program shall collect data to increase understanding of all
43.19 aspects of the current and ongoing system under this section, including identification of
43.20 gaps in service, barriers to finding and receiving appropriate service, and lack of resources.

43.21 Subd. 4. **Review.** The Department of Education shall annually review the following:

43.22 (1) outcomes achieved by this system;

43.23 (2) alignment with overall early childhood goals and objectives; and

43.24 (3) impacts on young children.

43.25 **Sec. 5. APPROPRIATIONS.**

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

43.29 Subd. 2. **School readiness.** For revenue for school readiness programs under
43.30 Minnesota Statutes, sections 124D.15 and 124D.16:

43.31 \$ 12,170,000 2016

43.32 \$ 1,217,000 2017

43.33 The 2016 appropriation includes \$1,217,000 for 2015 and \$10,953,000 for 2016.

43.34 The 2017 appropriation includes \$1,217,000 for 2016 and \$0 for 2017.

44.1 Subd. 3. **Early childhood family education aid.** For early childhood family
 44.2 education aid under Minnesota Statutes, section 124D.135:

44.3 \$ 27,997,000 2016

44.4 \$ 28,984,000 2017

44.5 The 2016 appropriation includes \$2,713,000 for 2015 and \$25,284,000 for 2016.

44.6 The 2017 appropriation includes \$2,808,000 for 2016 and \$26,176,000 for 2017.

44.7 Subd. 4. **Developmental screening aid.** For developmental screening aid under
 44.8 Minnesota Statutes, sections 121A.17 and 121A.19:

44.9 \$ 3,363,000 2016

44.10 \$ 3,369,000 2017

44.11 The 2016 appropriation includes \$337,000 for 2015 and \$3,021,000 for 2016.

44.12 The 2017 appropriation includes \$335,000 for 2016 and \$3,017,000 for 2017.

44.13 Subd. 5. **Head Start program.** For Head Start programs under Minnesota Statutes,
 44.14 section 119A.52:

44.15 \$ 20,100,000 2016

44.16 \$ 39,542,000 2017

44.17 Subd. 6. **Educate parents partnership.** For the educate parents partnership under
 44.18 Minnesota Statutes, section 124D.129:

44.19 \$ 49,000 2016

44.20 \$ 49,000 2017

44.21 Subd. 7. **Kindergarten entrance assessment initiative and intervention**
 44.22 program. For the kindergarten entrance assessment initiative and intervention program
 44.23 under Minnesota Statutes, section 124D.162:

44.24 \$ 1,881,000 2016

44.25 \$ 1,881,000 2017

44.26 Subd. 8. **Early learning scholarships.** For the early learning scholarship program
 44.27 under Minnesota Statutes, section 124D.165:

44.28 \$ 27,884,000 2016

44.29 \$ 27,884,000 2017

44.30 Up to \$950,000 each year is for administration of this program.

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

45.1 Subd. 9. **Parent-child home program.** For a grant to the parent-child home
45.2 program:

45.3 \$ 250,000 2016

45.4 \$ 250,000 2017

45.5 The grant must be used for an evidence-based and research-validated early childhood
45.6 literacy and school readiness program for children ages 16 months to four years at its
45.7 existing suburban program location.

45.8 Subd. 10. **Northside Achievement Zone.** For a grant to the Northside Achievement
45.9 Zone.

45.10 \$ 1,200,000 2016

45.11 \$ 1,200,000 2017

45.12 Funds appropriated in this section are to reduce multigenerational poverty and the
45.13 educational achievement gap through increased enrollment of families within the zone,
45.14 and may be used for Northside Achievement Zone programming and services consistent
45.15 with federal Promise Neighborhood program agreements and requirements.

45.16 Subd. 11. **St. Paul Promise Neighborhood.** For a grant to the St. Paul Promise
45.17 Neighborhood.

45.18 \$ 1,200,000 2016

45.19 \$ 1,200,000 2017

45.20 Funds appropriated in this section are to reduce multigenerational poverty and the
45.21 educational achievement gap through increased enrollment of families within the zone,
45.22 and may be used for St. Paul Promise Neighborhood programming and services consistent
45.23 with federal Promise Neighborhood program agreements and requirements.

45.24 **Sec. 6. REPEALER.**

45.25 Minnesota Statutes 2014, sections 124D.15, subdivision 3a; and 124D.16,
45.26 subdivisions 2, 3, and 5, are repealed for fiscal year 2017 and later.

45.27 **ARTICLE 8**

45.28 **PREVENTION**

45.29 **Section 1. APPROPRIATION.**

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

46.1 Subd. 2. **Community education aid.** For community education aid under
 46.2 Minnesota Statutes, section 124D.20:

46.3 \$ 788,000 2016

46.4 \$ 554,000 2017

46.5 The 2016 appropriation includes \$107,000 for 2015 and \$681,000 for 2016.

46.6 The 2017 appropriation includes \$75,000 for 2016 and \$479,000 for 2017.

46.7 Subd. 3. **Adults with disabilities program aid.** For adults with disabilities
 46.8 programs under Minnesota Statutes, section 124D.56:

46.9 \$ 710,000 2016

46.10 \$ 710,000 2017

46.11 The 2016 appropriation includes \$71,000 for 2015 and \$639,000 for 2016.

46.12 The 2017 appropriation includes \$71,000 for 2016 and \$639,000 for 2017.

46.13 Subd. 4. **Hearing-impaired adults.** For programs for hearing-impaired adults
 46.14 under Minnesota Statutes, section 124D.57:

46.15 \$ 70,000 2016

46.16 \$ 70,000 2017

46.17 Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes,
 46.18 section 124D.22:

46.19 \$ 1,000 2016

46.20 \$ 1,000 2017

46.21 The 2016 appropriation includes \$0 for 2015 and \$1,000 for 2016.

46.22 The 2017 appropriation includes \$0 for 2016 and \$1,000 for 2017.

46.23 **ARTICLE 9**

46.24 **SELF-SUFFICIENCY AND LIFELONG LEARNING**

46.25 Section 1. **APPROPRIATIONS.**

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

46.29 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota
 46.30 Statutes, section 124D.531:

46.31 \$ 49,118,000 2016

46.32 \$ 50,592,000 2017

47.1 The 2016 appropriation includes \$4,782,000 for 2015 and \$44,336,000 for 2016.

47.2 The 2017 appropriation includes \$4,926,000 for 2016 and \$45,666,000 for 2017.

47.3 Subd. 3. **GED tests.** For payment of 60 percent of the costs of GED tests under
 47.4 Minnesota Statutes, section 124D.55:

47.5 \$ 125,000 2016

47.6 \$ 125,000 2017

47.7 **ARTICLE 10**

47.8 **STATE AGENCIES**

47.9 Section 1. Minnesota Statutes 2014, section 122A.18, subdivision 8, is amended to read:

47.10 Subd. 8. **Background checks.** (a) The Board of Teaching and the commissioner
 47.11 of education must request a criminal history background check from the superintendent
 47.12 of the Bureau of Criminal Apprehension on all applicants for initial licenses under their
 47.13 jurisdiction. An application for a license under this section must be accompanied by:

47.14 (1) an executed criminal history consent form, including fingerprints; and

47.15 (2) ~~a money order or cashier's check payable to the Bureau of Criminal Apprehension~~
 47.16 ~~for the fee for conducting the~~ payment to conduct a criminal history background check.

47.17 Proceeds from this fee are annually appropriated to the commissioner for costs associated
 47.18 with processing licensure applications.

47.19 (b) The superintendent of the Bureau of Criminal Apprehension shall perform the
 47.20 background check required under paragraph (a) by retrieving criminal history data as
 47.21 defined in section 13.87 and shall also conduct a search of the national criminal records
 47.22 repository. The superintendent is authorized to exchange fingerprints with the Federal
 47.23 Bureau of Investigation for purposes of the criminal history check. The superintendent
 47.24 shall recover the cost to the bureau of a background check through the fee charged to
 47.25 the applicant under paragraph (a).

47.26 (c) The Board of Teaching or the commissioner of education may issue a license
 47.27 pending completion of a background check under this subdivision, but must notify
 47.28 the individual that the individual's license may be revoked based on the result of the
 47.29 background check.

47.30 Sec. 2. **RULEMAKING AUTHORITY.**

47.31 (a) The Board of Teaching shall adopt rules for a process for approving certificates
 47.32 of advanced professional study. A certificate of advanced professional study is a credential
 47.33 available only to a teacher with a full license in at least one discipline that allows for
 47.34 teaching without further waiver or variance when a licensure program in the discipline

48.1 does not exist or when a teacher with a full license in the discipline cannot be found. The
 48.2 certificate of advanced professional study must:

48.3 (1) have fewer requirements than the full license in the discipline;

48.4 (2) set the specific qualifications required to attain it; and

48.5 (3) maintain professional standards for teaching in that discipline.

48.6 (b) The rules adopted under paragraph (a) must limit certificates of advanced
 48.7 professional study to:

48.8 (1) disciplines in which at least one geographic area of the state has a demonstrated
 48.9 shortage of fully licensed teachers; and

48.10 (2) emerging disciplines where full licenses or licensure programs do not exist.

48.11 **Sec. 3. APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

48.12 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
 48.13 indicated in this section are appropriated from the general fund to the Department of
 48.14 Education for the fiscal years designated.

48.15 Subd. 2. **Department.** (a) For the Department of Education:

48.16 \$ 31,047,000 2016

48.17 \$ 30,874,000 2017

48.18 Of these amounts:

48.19 (1) \$260,000 each year is for the Minnesota Children's Museum;

48.20 (2) \$41,000 each year is for the Minnesota Academy of Science;

48.21 (3) \$50,000 each year is for the Duluth Children's Museum;

48.22 (4) \$1,020,000 in fiscal year 2016 and \$718,000 in fiscal year 2017 are for the
 48.23 Board of Teaching;

48.24 (5) \$228,000 in fiscal year 2016 and \$231,000 in fiscal year 2017 are for the Board
 48.25 of School Administrators;

48.26 (6) \$25,000 each year is for administration of the Innovative Education Pilot under
 48.27 Laws 2012, chapter 263, section 1;

48.28 (7) \$7,000,000 each year is for Regional Centers of Excellence under Minnesota
 48.29 Statutes, section 120B.115;

48.30 (8) \$500,000 each year is for the School Safety Technical Assistance Center under
 48.31 Minnesota Statutes, section 127A.052;

48.32 (9) \$1,000,000 each year is for activities related to the statewide Help Me Grow
 48.33 program under Minnesota Statutes, section 124D.173; and

49.1 (10) \$250,000 each year is for the School Finance Division to enhance financial
49.2 data analysis.

49.3 (b) Any balance in the first year does not cancel but is available in the second year.

49.4 (c) None of the amounts appropriated under this subdivision may be used for
49.5 Minnesota's Washington, D.C. office.

49.6 (d) The expenditures of federal grants and aids as shown in the biennial budget
49.7 document and its supplements are approved and appropriated and shall be spent as
49.8 indicated.

49.9 (e) This appropriation includes funds for information technology project services and
49.10 support subject to the provisions of Minnesota Statutes, section 16E.0466. Any ongoing
49.11 information technology costs will be incorporated into the service level agreement and
49.12 will be paid to the Office of MN.IT Services by the Department of Education under the
49.13 rates and mechanism specified in that agreement.

49.14 **Sec. 4. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

49.15 The sums indicated in this section are appropriated from the general fund to the
49.16 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

49.17	\$	<u>12,853,000</u>	<u>.....</u>	<u>2016</u>
49.18	\$	<u>12,819,000</u>	<u>.....</u>	<u>2017</u>

49.19 **Sec. 5. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

49.20 The sums in this section are appropriated from the general fund to the Perpich
49.21 Center for Arts Education for the fiscal years designated:

49.22	\$	<u>7,422,000</u>	<u>.....</u>	<u>2016</u>
49.23	\$	<u>7,523,000</u>	<u>.....</u>	<u>2017</u>

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

49.25 Amend the title as follows:

49.26 Page 1, line 6, after the first semicolon, insert "authorizing rulemaking;"

49.27 Correct the title numbers accordingly