

House Research Act Summary

CHAPTER: 146

SESSION: 2007 Regular Session

TOPIC: E-12 Omnibus Education Finance and Policy Legislation

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Section

Article 1: General Education Revenue

- 1 **Additional revenue; priority.** Corrects an erroneous cross-reference in the section of law that details the priorities of any state general fund budget surplus.
- 2 **Program established.** Clarifies the definition of a learning year program.
- 3 **Commissioner designation.** Clarifies the services that an area learning center. Authorizes an area learning center to provide accelerated instruction that leads to early graduation.
- 4 **Student planning.** Clarifies language that allows charter school and area learning center students to participate in learning year programs.
- 5 **Pupil unit.** Increases the kindergarten pupil weight from .557 to .612 for fiscal years 2008 and later.
- 6 **Basic revenue.** Increases the basic formula allowance by 2 percent for FY 2008 and by an additional 1 percent for FY 2009. (This raises the base budget formula allowance from \$4,974 to \$5,074 for FY 2008 and to \$5,124 for FY 2009 and later.)
- 7 **Gifted and talented revenue.** Increases gifted and talented revenue from \$9 per pupil unit to \$12 per pupil unit for FY 2008 and later.
- 8 **Equity revenue.** Eliminates the offset of \$23 per pupil unit for school districts that have per pupil referendum amounts in excess of the 95th percentile of referendum revenue for fiscal year 2008 and later.
- 9 **Basic alternative teacher compensation aid.** Lowers the aid share of total Qcomp revenue for fiscal year 2010 and later by lowering the aid percentage from 73.1 to 65 percent of total revenue. Note: the effective date for this provision was inadvertently dropped from the bill.
- 10 **Reallocating general education revenue for early education programs.** Authorizes a school district to spend on early education programs any money saved when 12th graders

graduate early. Authorizes a school district to spend any general education revenue on extended time kindergarten or pre-kindergarten programs.

- 11 **General education aid.** Strikes obsolete language; clarifies the reference to referendum equalization aid and referendum tax base replacement aid.
- 12 **County apportionment deduction.** Adds proceeds from wind energy payments to the definition of county apportionment revenue (this means that wind energy payments will offset state aid that the school district would otherwise receive-these payments are currently additional revenue to these school districts).
- 13 **Adjustment for failure to meet federal maintenance of effort.** Creates a process to reduce general education aid for school districts that are members of a special education cooperative and do not meet federal special education maintenance of effort requirements.
- 14 **Safe schools levy.** Creates additional safe schools levy authority of \$3 per pupil for all school districts and an additional \$10 per pupil for districts that are members of intermediate school districts. Authorizes safe schools revenue to be spent on licensed support personnel who engage in activities designed to provide early responses to students' problems. Creates a maintenance of effort requirement to prevent school districts from supplanting their existing spending for licensed school support personnel.
- 15 **Aid reduction; levy revenue recognition change.** Corrects an erroneous cross-reference.
- 16 **Alternative attendance programs.** Modifies the calculation of general education aid attributable to the referendum revenue paid to a serving school district under open enrollment to be the greater of the current amount of aid or a portion of the first tier of equalization revenue (\$700 per pupil for FY 08 and later) determined by calculating the percent of open-enrolled students attending the school district. Sets the open enrollment index number equal to the greater of zero or the district's open enrollment index less .2. Excludes school districts from the referendum revenue adjustment if more than 50 percent of the district's open enrollment students participate only in online learning.
- 17 **Abatements.** Corrects a statutory reference and updates the abatement language to also include referendum market value; includes additional levies into the abatement calculation.
- 18 **Excess tax increment.** Updates the excess tax increment calculation to include the aid amounts for all the levies that are equalized.
- 19 **Question.** Requires to petition to mandate a school election to contain the greater of 50 signatures or 5 percent of the number of voters voting in the most recent school district general election.
- 20 **Report to the commissioner of education.** Requires the county auditor, on the first Wednesday after the settlement date, to report to the commissioner of education on the amount of wind energy payments distributed to each school district.
- 21 **Application process.** Adds the Brooklyn Center school district to the list of districts that may apply to participate in the pilot project to redistribute compensatory revenue based on student performance instead of free and reduce meal eligibility.
- 22 **Onetime energy assistance aid.** Corrects an error in the appropriation for one-time energy assistance aid.
- 23 **School finance reform; task force.** Establishes a school finance reform task force. Charges the task force with: creating an adequacy index; simplifying the formulas; examining categorical funding programs, and examining the role of the regional delivery system. Requires the house and senate to each appoint four members to the task force. Requires the task force to submit its recommendations to the legislature by January 15, 2008. Note: the Governor vetoed the appropriation for this task force.
- 24 **Appropriations.** Sets the appropriations for:

- general education aid;

- referendum tax base replacement aid;
- enrollment options transportation;
- abatement revenue;
- consolidation transition;
- nonpublic pupil education aid;
- nonpublic pupil transportation aid;
- one-room schoolhouse aid for the Angle Inlet school;
- compensatory revenue pilot project;
- declining pupil aid for Browns Valley;
- education finance study (Vetoed);
- declining pupil aid for Red Lake;
- declining pupil aid for McGregor.

25 Repealer. Repeals:

- 126D.06, obsolete enrollment options provision for children born before 1978 or their siblings, effective June 30, 2007;
- 124D.081, first grade preparedness, for revenue for fiscal year 2010.

Article 2: Education Excellence

1 Early childhood literacy programs. (a) Establishes an early childhood literacy program to increase the literacy skills of Head Start children and prepare them to be successful readers, and to increase families' participation in providing early literacy experiences to their children. Requires program providers to: prepare children to be successful learners; close the achievement gap for at-risk children; use an integrated approach to early literacy; support children's home language; use teachers and staff to provide professional development opportunities; use ongoing data-based assessments; and foster widespread participation by stakeholders.

Encourages program providers to collaborate with qualified early childhood providers in implementing this program and to seek nonstate funds to supplement the program.

(b) Allows program providers under paragraph (a) to form partnerships with eligible organizations to provide literacy programs that offer seamless literacy instruction to children through grade 3 that is focused on closing the literacy achievement gap. Requires partnership members to use best efforts and practices and to work collaboratively. Requires

program providers to: evaluate children's literacy skills and formulate specific interventions premised on the outcomes of formative and summative assessments and research-based indicators of literacy development. Requires program providers to train teachers and other providers to use assessment outcomes to develop and use coaching models specific to the provider.

(c) Directs the commissioner to collect literacy data on children age 3 to grade 3 in order to document the impact of the program model on closing the literacy achievement gap. Directs the commission to annually report to the legislature by February 1.

Makes this section effective immediately.

2 Education records. (a) Requires a school district, charter school, and a nonpublic school to transmit the records of a transfer student to the school district, charter school or nonpublic school next enrolling that student. Makes nonpublic schools that accept publicly funded educational materials and student support services subject to this requirement.

(b) Requires a closed charter school to transmit students' education records to the student's resident school district within ten business days, where the records must be retained subject to the student transferring elsewhere.

(c) Requires school districts and charter schools to include a transfer student's formal disciplinary records when transmitting education records to the school where the student is next enrolling. Requires school districts and charter schools to notify a student and the student's parents that the student's disciplinary records transfer with the student's educational record.

3 Required academic standards. Directs the commissioner, when reviewing and revising the state's academic standards, to include the contributions of Minnesota American Indian tribes and communities as they relate to each of the academic standards.

Makes this section effective for the 2008-2009 school year and later.

4 Elective standards. (b) Encourages world languages teachers to develop and implement programs that acknowledge and reinforce the language proficiency and cultural awareness of non-English language speakers. Requires world language programs to encompass indigenous American Indian languages and cultures among other world languages and cultures. Directs the education department to consult with postsecondary institutions in developing related professional development opportunities.

5 Graduation requirements; course credits. Allows a career and technical education course to fulfill a science, math or arts credit requirement for graduation.

6 Identification. Requires a district to annually report the results of the assessment used to determine if a first grade student is at risk of not learning to read by the end of second grade.

7 Raised academic achievement; advanced placement and international baccalaureate programs.

Subd. 1. Establishment; eligibility. Requires schools and charter schools interested in participating in pre-advanced placement, advanced placement, and international baccalaureate courses and programs, among other requirements, to have a three-year plan approved by the local school board to establish a new or expand an existing pre-advanced placement, advanced placement or international baccalaureate program and to increase the availability of and all students' access to and completion of these programs.

Subd. 2. Application and review process; funding priority. Requires applicants for program funding to submit a proposed budget demonstrating the applicant's ability to implement pre-advanced placement, advanced placement, and international baccalaureate courses and programs. Makes funding available for pre-advanced placement and international baccalaureate courses and programs in addition to advanced placement courses and programs.

Subd. 3. Funding; permissible funding uses. Allows recipients to use the funding for pre-advanced placement and international baccalaureate courses and programs in addition to advanced placement courses and programs.

Subd. 4. Annual reports. Requires grant recipients to annually report to the education commissioner on actual expenditures for pre-advanced placement, advanced placement and international baccalaureate courses and programs.

Makes this section effective for the 2007-2008 school year and later.

8 Gifted and talented students programs. (c) Directs school districts to adopt policies and procedures for academic acceleration of gifted and talented students that include an assessment of students' readiness and motivation for acceleration and a match between the curriculum and the students' academic needs.

9 Statewide testing and reporting system.

Subd. 1. Statewide testing. Further clarifies statewide accountability changes related to integrating the state's reading and math basic skills tests into the state's MCA-IIs and establishing a writing proficiency test. Establishes testing parameters for accommodating students with limited English proficiency and students with disabilities.

Subd. 1a. Statewide and local assessments; results. Directs the commissioner, as part of the state's standards and assessments, to include a value-added component no later than the 2008-2009 school year that is in addition to a measure for student achievement growth over time.

10 Educational accountability. Funds the office of educational accountability through the Board of Regents of the University of Minnesota. Directs the office to determine and annually report to the legislature whether and how effectively: the commissioner makes statistical adjustments when reporting student data, consistent with the statutory requirement that the commissioner acknowledge the impact of factors such as residential instability, the number of single parent families, parents' level of education, and parents' income level on school outcomes (Minn. Stat. § 120B.31, subd. 4); the commissioner uses indicators of student achievement growth over time and a value-added assessment model to measure school performance; the commissioner makes data available on students who do not pass state GRAD tests and do not receive a diploma and categorizes data based on gender, race, eligibility for free or reduced lunch, and English language proficiency; and the commissioner fulfills certain requirements related to NCLB.

The Governor vetoed a \$200,000 appropriation in FY 2008 and a \$200,000 appropriation in FY 2009 to the office of educational accountability for carrying out the duties in this section and section 40.

Makes this section immediately effective.

11 School performance report cards. (a) Strikes a direction to the education commissioner to

identify four to six designations applicable to high and low performing schools. Includes student-to-teacher ratios among the criteria the commissioner must use to determine student performance levels. Requires the commissioner's report on student performance to indicate a school's adequate yearly progress status.

(b) Strikes the requirement that a school's designation be clearly stated on each school performance report card.

(c) Strikes a reference to school designations.

(d) Allows a school or school district to appeal its adequate yearly progress status to the commissioner within 30 days of receiving notice of its status.

(e) Declares that school performance report card data are nonpublic data until not later than 10 days after the appeal under paragraph (d) concludes.

Makes this section effective immediately and applicable to the 2006-2007 school year and later.

- 12** **Grounds for revocation, suspension, or denial.** Directs the state Board of Teaching to refuse to issue or renew or to automatically revoke the teaching license of a person convicted of a crime involving either the use of minors in a sexual performance or the possession of pornographic works involving a minor. Removes the board's obligation to hold a hearing before withholding or withdrawing the license.
- 13** **Coursework and training.** Allows a school district to use the staff development reserved revenue for grants to teachers to pay for coursework and training leading to certification as a college in the schools or concurrent enrollment teacher.
- 14** **Center functions.** (b) Directs each teacher center to provide a professional development program to train kindergarten through grade 12 teachers selected by their district to assist other teachers with math and science curriculum, standards and instruction so that all teachers have access to high quality professional development programs in math and science, and research-based math and science programs and instructional models premised on best practices. Makes this section effective for the 2007-2008 school year and later.
- 15** **Membership in economic development, community, and civic organizations.** Allows school boards to pay for a membership in local economic development associations or other community or civic organizations.
- 16** **Contract; duties.** Updates the language of the "set the price" superintendent's report to include the MCA-IIs and eliminates the requirement to report the district's special education cross-subsidy.
- 17** **Alternative attendance programs.** (b) Permits a school district to provide transportation to allow a student who attends a high-need English language learner program and resides within the program's transportation attendance area to continue in the program until the student completes the program.
- 18** **Concurrent enrollment program aid.**

Subd. 1. Accreditation. Encourages postsecondary institutions to apply to the National Alliance of Concurrent Enrollment Partnerships for accreditation in order to establish a uniform standard for measuring concurrent enrollment courses and professional development activities.

Subd. 2. Eligibility. Makes a school district that offers a certified, National Alliance of Concurrent Enrollment Partnership course through a course agreement under the

Minnesota Post-Secondary Enrollment Options program (Minn. Stat. § 124D.09, subd. 10), eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, makes aid available to districts only if the district's concurrent enrollment courses are accredited, are being accredited, or are comparable to accredited courses offered by the National Alliance of Concurrent Enrollment Partnership.

Subd. 3. Aid. Allocates to an eligible district \$150 per pupil enrolled in a certified, National Alliance of Concurrent Enrollment Partnership course. Requires the money to be used for the cost of delivering the course at the high school. Directs the education commissioner to establish application procedures and deadlines for receipt of payment aids.

19 **Definitions.** (f) Defines "supplemental online learning" to mean an online course taken in place of a course period during the regular school day at a local school district.

(g) Defines "full-time online provider" to mean an enrolling school authorized by the Education Department to deliver comprehensive K-12 public education.

20 **Authorization; notice; limitations on enrollment.** (a) Allows a student to apply for full-time enrollment in an approved online learning program or for supplemental online learning. Establishes online learning enrollment procedures under this subdivision. Requires the student applicant and the student's parent to apply to the online learning provider and identify the reason for enrolling. Requires an online learning provider that accepts a student to notify the student and the enrolling district within 10 days if the enrolling district is not the online learning provider. Requires the student and the student's parents to notify the provider within 10 days of the student being accepted that the student intends to enroll and requires the student and the student's parent to sign a statement indicating that they understand the expectations of the online learning course. Requires the online provider to notify the enrolling district of the student's enrollment in an online learning course.

(b) Specifies the notice requirement for students enrolling in supplemental online learning courses. Allows the notice requirement to be waived.

21 **Online learning parameters.** (a) Requires an online learning provider to make available to the enrolling school district the course syllabus, standard alignment, content outline, assessment requirements, and contact information for supplemental online courses the student takes in the enrolling school district.

(b) Allows an online learning student to enroll in supplemental online learning courses that equate with a maximum of 50 percent of the student's full course schedule. Allows a student to exceed the supplemental online learning registration limit if the enrolling district agrees to enrollment above the limit or if there is an agreement between the enrolling district and the online learning provider.

(f) Requires students who seek to complete more than 50 percent of their full course schedule per term through online learning to apply for open enrollment to an approved full-time online provider or to comply with paragraph (b). Allows full-time online learning students to enroll at a local school under a contract between the online learning provider and the school districts.

22 **Department of Education.** Requires online learning providers to demonstrate, instead of affirm, to the commissioner that online learning courses have equivalent standards or instruction, curriculum, and assessment requirements as other courses offered to enrolled students.

23 **Formation of a school.** Strikes language allowing: a charter school applicant to apply to the education commissioner if a school board fails to vote on a charter school application within 90 days; the commissioner to assist the applicant in finding an eligible sponsor if a school board elects not to sponsor the charter school.

24 **Related party lease costs.** Makes conflict of interest provisions applicable to charter school law generally.

25 **Pupil enrollment upon nonrenewal or termination of charter school contract.** Requires a closed charter school to transmit students' education records to the student's resident school district within ten business days, where the records must be retained subject to the student transferring elsewhere.

26 **Multiracial diversity.** (a) Allows school districts to apply to the education commissioner for a waiver from the requirement to maintain racial balance within the school district if the racial imbalance in a school results from: the enrollment of protected multiracial students and the proportion of enrolled multiracial students reflects the proportion of multiracial students who reside in the school attendance area or who are enrolled in the grade levels served by the district; or the enrollment of limited English proficiency students in a transition program that includes an intensive English component.

Directs the commissioner to grant the waiver if the school district in which the school is located offers the multiracial students or the limited English proficiency students, as appropriate, the option of enrolling in another school within the district with the requisite racial balance, and the students' parents choose not to pursue that option.

(b) Makes this section effective for the 2006-2007 through the 2010-2011 school years or until amended rules pertaining to racial diversity are adopted, whichever comes first.

Makes this section effective immediately.

27 **Eligible services.** Allows assurance of mastery programs to provide direct scientific, research-based instructional service and intervention to eligible pupils.

28 **Minnesota Indian scholarship program awards.** Directs the education commissioner to establish procedures for distributing scholarships, based upon the recommendations of post secondary institutions and a standardized needs analysis. Makes scholarships available for five years of study at the undergraduate level and for five years of study at the graduate level and allows students to acquire only one degree per level and one terminal degree.

29 **Parent and family involvement policy.** (a) Encourages local school boards to adopt and implement a parent and family involvement policy that promotes and supports meaningful communication between home and school, parenting skills, an integral role for parents and caregivers, parents being welcome in school, parents as full decision-making partners, community resources to strengthen schools, families, and student learning.

(b) Directs participating school boards to convene advisory committees composed of resident parents and district staff to make recommendations to the board on developing and evaluating the parent and family involvement policy. Requires the advisory committees to represent district diversity. Directs committees to consider demographic diversity and barriers to parental involvement when developing recommendations.

(c) Requires boards to use best practices.

(d) Directs boards to periodically review their policies.

(e) Indicates that a district is not obligated to exceed any federal law requirements.

Makes this section effective for the 2008-2009 school year and later.

30 **Alternative delivery of specialized instruction.** Clarifies the approval process and funding mechanism for specialized instructional services to pupils who need additional academic or behavioral support to succeed in the general education environment and who may eventually qualify for special education services.

31 **Alternative instruction required before assessment referral.** Allows a district, among other options, to use an early intervening services program in the regular classroom before referring a student for a special education evaluation.

32 **No Child Left Behind review.** Requires the commissioner to report to the legislature on the status of federal waivers by January 15, 2008. Strikes obsolete language if waivers have already been received. Requires the commissioner to additionally request waivers to: participate in a growth model pilot program, allow a district not making adequate yearly progress to offer supplemental educational services before offering school choice, allow a district not making adequate yearly progress to also be the supplemental service provider, allow the state to maintain a subgroup size of 40 for special education and limited English proficiency subgroups, and create flexibility to enable the state to define and identify highly qualified teachers.

33 **Board of School Administrators; rulemaking authority.** (a) Extends from 2007 to 2008 the time by which the Board of School Administrators may adopt rules governing school administrators.

(b) Requires the board to retain current rules governing classroom teaching experience for licensure as a principal.

Makes this section effective immediately.

34 **Rulemaking required.** Directs the Board of Teaching to adopt rules regarding credentials for paraprofessionals. Allows the Board of Teaching to charge fees to issue new credentials or to renew credentials.

35 **Rulemaking authorized; supplemental education service providers.** Revives the expired rule and directs the education commissioner to amend the state rule governing supplemental education service providers to include specifications for withdrawing approval from providers that fail to increase students' academic proficiency for two consecutive school years. Requires the rule to indicate how the Education Department will distinguish the effect of supplemental and regular school instruction on students' academic performance and how the department will assess the providers' effectiveness.

Makes this section effective immediately.

36 **Rulemaking authority.** Directs the education commissioner to adopt rules for implementing and administering the graduation-required assessment for diploma (GRAD) in reading and math, and in writing, and for public review of the GRAD test. Requires the rules to specify the GRAD requirements that apply to students in unique circumstances and to establish the criteria for individualized GRAD passing scores for students with an individual education plan or a Section 504 plan and for using an alternative assessment when a student's individual education plan team decides to replace the GRAD test.

37 **Grant program to promote professional teaching standards.**

Subd. 1. Establishment. Establishes a grant program to promote professional teaching standards through the National Board of Professional Teaching Standards to provide teachers with the opportunity to receive national board certification and to

reward teachers already certified.

Subd. 2. Eligibility. Requires a grant applicant to be a licensed public school teacher with a minimum of five years of classroom teaching experience who is a candidate for or a recipient of national board certification.

Subd. 3. Application process. Requires interested, qualified teachers to apply to the education commissioner for a grant or reward. Directs the commissioner to consult with the Board of Teaching when reviewing the applications. Directs the commissioner to provide program support to applicants during the national certification process.

Subd. 4. Grant awards; proceeds. (a) Allows the commissioner to award \$1,000 for partial payment of teacher candidates' application fee.

(b) Directs the commissioner to award \$3,000 grants to teacher applicants who hold national board certification and \$2,000 to teacher applicants renewing their national board certification.

(c) Directs the commissioner, in consultation with interested stakeholders, to award grants of up to \$1,000 to teacher applicants who received national board certification within one year of applying for the grant and allows grantees to use the grant for educational purposes.

The Governor vetoed a \$250,000 appropriation in FY 2008 and a \$250,000 appropriation in FY 2009 to pay teachers for national board certification.

38

World languages pilot program grants. (a) Establishes a pilot program in fiscal years 2008 and 2009 to award five world languages grants to interested school sites and school districts to develop and implement sustainable, high-quality model kindergarten through grade 12 world languages programs and to enhance existing programs. Requires program participants to support non-English language learners in maintaining their native language while mastering English and native English speakers in learning other languages.

(b) Directs interested school sites and school districts to apply to the commissioner and to indicate whether the applicant will develop a new program or expand an existing program and whether the applicant intends to offer more intensive programs or programs that are readily accessible to larger numbers of students. Requires applicants to agree to disseminate information about their programs.

(c) Directs the commissioner to award grants to qualified applicants on an equitable geographical basis. Directs the commissioner to award three grants to kindergarten through grade 8 sites, one grant to a qualified site interested in a Mandarin Chinese program, and one grant to a qualified site interested in an indigenous American Indian world languages program.

(d) Requires the commissioner to provide for a program evaluation and to report to the legislature by February 15, 2010.

Makes this section effective for the 2007-2008 school year.

39

Bilingual and multilingual certificates; Department of Education. Directs the Education

Department, in consultation with interested stakeholders, to recommend to the legislature by February 15, 2008, the standards and process for awarding bilingual and multilingual certificates to kindergarten through grade 12 students who develop and maintain proficiency in multiple languages.

Makes this section effective immediately.

40 School performance report cards; advisory group recommendations. (a) Directs the Office of Educational Accountability to convene and facilitate an advisory group of curriculum and measurement experts to consider and recommend how to structure school performance data and school performance report cards to fully, fairly and accurately report student achievement and emphasize school excellence under Minnesota's educational accountability and public reporting system.

(b) Lists advisory group members. Requires the Office of Educational Accountability to present the advisory group's recommendations to the legislature by February 15, 2008. Causes the group to expire on February 16, 2008.

Makes this section effective immediately.

The Governor vetoed a \$200,000 appropriation in FY 2008 and a \$200,000 appropriation in FY 2009 to the office of educational accountability for carrying out the duties in section 10 and this section.

41 Advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform. Establishes an advisory task force to examine the impact of federal and state standards-based reform on Minnesota's K-12 students, including American Indian students, and to recommend to the legislature changes to the state's performance standards, content requirements, assessment measures and teacher preparation programs to effectively meet the needs of all students, including American Indian students.

42 American Indian scholarship. Transfers administration of the American Indian scholarship program from the Education Department to the Minnesota Office of Higher Education. Requires the office director to contract with a knowledgeable Bemidji resident to assist students with information. Directs Bemidji State University to provide office space at no cost to the program for distributing scholarships under this section.

43 World languages resources. Directs the education commissioner, after consulting with the quality teaching network, to employ a full-time state world languages coordinator by July 1, 2007, to: assist charter schools and school districts in developing and enhancing world languages courses and programs; collaborate with professionals and charter schools and school districts in developing world languages programs; survey charter schools and school districts to determine the types of existing world languages programs, identify exemplary world languages programs, and address staff development needs; identify successful world languages programs in other states; report to the commissioner on the feasibility and structure of a world languages graduation requirement; and annually report to the legislature on the status and needs of world languages programs in Minnesota.

(b) Directs the commissioner by July 1, 2009, to recommend an assessment tool for charter schools and school districts to use in measuring students' proficiency in world languages.

(c) Directs the commissioner, upon request, to evaluate the plans of charter schools and school districts in developing and enhancing their world languages programs. Directs the department to assist school districts in monitoring local assessment results.

Makes this section effective immediately.

44 **Appropriations; Minnesota Office of Higher Education.** Makes general fund appropriations to the Minnesota Office of Higher Education for American Indian scholarships.

45 **Appropriations; Board of Regents of the University of Minnesota.** Makes general fund appropriations to the University of Minnesota for the Independent Office of Educational Accountability.

The Governor vetoed these appropriations.

46 **Appropriations; Minnesota Education Department.** See fiscal tracking sheet.

The Governor vetoed the FY 2008 and FY 2009 appropriations for a National Board for Professional Teaching Standards certification.

47 **Revisor instructions.** Directs the revisor to renumber a section, correct cross-references and make other needed corrections.

48 **Repealers.** Repeals Minnesota Statutes, sections 120B.233 (character development education revenue and pilot program), and 124D.62 (exemption from licensure requirements for limited English proficiency and English as a second language teachers).

Article 3: Special Programs

1 **Pupil transportation; definitions.** Conforms the definition of special education revenue used in the pupil transportation statute to new special education definitions, which replace the two-year prior base data with current year special education data referred to as initial aid.

2 **Transition for children with disabilities; definitions.** Eliminates the references to base year special education revenue contained in the definitions used for the transition for children with disabilities program.

3 **Transition for children with disabilities; initial aid.** Changes the calculations for the transition for children with disabilities program from a two-year lagged base revenue to the current year's program costs and names the amount "initial aid."

4 **Nonresident tuition rate; other costs.** Clarifies that a reference to referendum aid was intended to refer to referendum equalization aid (the other referendum aid is tax base replacement aid). Includes a missing cross-reference to approved care and treatment programs.

5 **School of parent's choice.** Authorizes, in addition to the current open enrollment options, the parent of a student with a disability who is not yet enrolled in kindergarten to request that a nonresident school district provide educational services to the parent's child.

6 **Extended school year.** Clarifies that extended time programs include more than just summer school.

7 **Statewide hearing loss coordinator.** Defines duties for a statewide hearing loss coordinator.

8 **Travel aid.** Allows community-based services, in addition to home-based services, to be included as part of the travel aid reimbursement.

9 **Program and aid approval.** Requires districts to report their special education litigation costs to the department annually; requires the department to report on school district special education litigation costs to the legislative education committees by January 15 of each year.

10 **Litigation costs; annual report.** Requires districts to report their special education litigation costs to the department annually; requires the department to report on school district special education litigation costs to the legislative education committees by January

15 of each year.

- 11 **Special education definitions.** Removes the definition of "base year" from the regular special education revenue calculations. Makes this change because the two-year lagged base revenue is replaced with current year base revenue called "initial aid."
- 12 **Special education initial aid.** Changes the name of "base revenue" to "initial aid" and calculates each district's share of regular special education revenue based on current year initial aid as opposed to the second prior year's base revenue.
- 13 **State total special education aid.** Raises the statewide total capped amount of special education revenue from \$529 million to \$694 million for FY 2008, to \$719 million for FY 2009, to \$736 million for FY 2010, and to \$787 million for FY 2011.
- 14 **School district special education aid.** Calculates each school district's share of regular special education aid based on current year costs, instead of costs from the second prior year.
- 15 **Special education forecast maintenance of effort.** Creates a process to allocate additional amounts of aid to the special education formulas if state spending on special education aid falls short of federal maintenance of effort requirements.
- 16 **Alternative delivery initial aid adjustment.** Updates the language to reflect that calculations are made using current data instead of second prior year data.
- 17 **Definitions.** Clarifies the treatment of transportation services for purposes of the uniform billing process.
- 18 **Initial excess cost aid.** Bases a district's excess cost aid on the gap between expenditures and revenue for the previous year, instead of the current year.
- 19 **State total special education excess cost aid.** Increases the state total amount of special education excess cost aid from \$105 million to \$111 million for fiscal years 2008 through 2011.
- 20 **Out-of-state tuition.** Clarifies the amount the resident school district must first pay before submitting a bill to the state for the remaining special education costs associated with a child placed by court action in another state.
- 21 **Alternative attendance programs.** Clarifies that a reference to referendum aid was intended to be a reference to referendum equalization aid (the other referendum aid is tax base replacement aid).
- 22 **Special education tuition billing for fiscal years 2006, 2007 and 2008.** Authorizes a school district to exempt itself from the uniform tuition billing calculations through FY 2008. Requires the Department of Education to grant this authority to qualifying school districts. Authorizes a school district to seek approval for additional bills charged to resident school districts for certain remaining unreimbursed special education costs.
- 23 **Task force to compare federal and state special education requirements.** Creates a task force appointed by the commissioner of the bureau of mediation services to study and compare state and federal special education requirements. Requires the task force to file a report with the education committees of the legislature by February 15, 2008.
- 24 **Appropriations.** Appropriates money for:
- regular special education aid;
 - aid for children with disabilities;
 - travel for home-based services;
 - special education excess cost aid;

- Transition for disabled students aid;
- court-placed special education revenue;
- special education out-of-state tuition; and
- the Special Education Task Force.

25 Repealer. Repeals:

- 124D.454, subd. 4, 5, 6 and 7 - the funding formula for the transition for disabled students programs since this funding is now included in a district's regular special education aid;
- 125A.10 - coordinating interagency services for a students with disabilities;
- 125A.75, subd. 6 - special education summer school approval process (summer school is covered by the learning year program language);
- 125A.76, subd. 3 - adjusted special education base revenue (this subdivision is not needed since the special education formula will now be calculated on current year data instead of data from the second prior year).

Article 4: Facilities and Technology

- 1 Citation.** Strikes "Secondary" from "Cooperative Secondary Facilities Grant Act."
- 2 Policy and purpose.** Expands the cooperative secondary facilities program to all cooperative facilities.
- 3 Approval authority; application forms.** Conforms the application and approval process to include all cooperative facilities, not only secondary facilities; allows a school district that has consolidated with another school district since July 1, 1980, eligible for the grant.
- 4 Grant application process.** Expands the program to include a consolidated district; increases the grant amount for new construction and remodeling or improving and existing facility; requires the commissioner to award grants first to districts that will close at least one existing school building.
- 5 Debt service equalization; definitions.** Removes the debt levy attributable to alternative facilities bonds from the definition of debt that is eligible for debt service equalization aid.
- 6 Debt service appropriation.** Sets the statutory appropriations for fiscal years 2008 through 2011 for payment of debt service equalization aid.
- 7 Health and safety revenue.** Includes the levy portion of alternative facilities in the health and safety revenue for the purposes of simplifying the JOBZ calculation.
- 8 Capital project levy referendum.** Limits a capital project levy referendum to a term of not more than 10 years.
- 9 No election.** Extends the authority of the Minneapolis school district to annually sell and issue building bonds in an amount not to exceed \$15 million per year for 8 more years.
- 10 Job Opportunity Building Zone property.** Allows JOBZ properties to be exempt from all operating referendum levies and includes JOBZ for the purposes of calculating debt service levies.
- 11 School technology and operating capital aid.** Qualifies all school districts for one-time technology and operating capital aid funding equal to \$40 per adjusted marginal cost pupil

unit for fiscal year 2008 and \$55 for fiscal year 2009.

- 12 Bonding authorization.** Extends the authority of the St. Paul School District to annually sell and issue building bonds in an amount not to exceed \$15 million per year for 8 more years.
- 13 Tax levy for debt service.** Grants the St. Paul School District explicit levy authority for the bonds issued under section 12.
- 14 Administrative lease levy; Spring Lake Park.** Allows Independent School District No. 16, Spring Lake Park, to lease administrative space for no more than five years if the district can certify to the commissioner that leasing administrative space is less expensive than the district's proposed instructional lease.
- 15 Health and safety revenue; Clearbrook-Gonvick.** Allows Independent School District No. 2311, Clearbrook-Gonvick to use health and safety revenue for the demolition of a school building.
- 16 Appropriations.** Appropriates money for:
- health and safety revenue;
 - debt service equalization;
 - school bond agricultural credit aid;
 - alternative facilities bonding aid;
 - equity in telecommunications access;
 - deferred maintenance aid;
 - Rocori School District for Project Serv;
 - School technology and operating capital grants; and
 - Eden Valley-Watkins; environmental remediation.

Article 5: Nutrition and Accounting

- 1 Budgets; form of notification.** Clarifies language regarding the publication of school district budget information. Requires a school board to annually notify the public of its revenue, expenditures, fund balances, and other relevant budget information. Requires this information to be: included in the district's truth in taxation materials; posted on the district's website with a link to the school report card information on the department of education's website; and published in a qualified newspaper of general circulation within the district.
- 2 Budget approval.** Strikes language directing school boards to inform the administrative authority at each school site about the general education and referendum revenue that the Education Department estimates that enrolled pupils at the site will generate, allowing districts to adjust department estimates, requiring districts to report compensatory revenue adjustments to the department, and requiring the department to use the adjusted compensatory revenue estimates in preparing its report.
- 3 Account transfer for reorganizing school districts.** Changes the consolidation statute so that account balances and fund balances of consolidating districts can be adjusted by the

new consolidated board for the year before the year of consolidation

- 4 **Elimination of reserve accounts.** Requires a school board to eliminate reserve accounts in all areas where specific statutory authority for the reserve no longer exists. Requires any amounts in these accounts to be transferred to the school district's unreserved general fund balance. Allows a school board to replace any specific eliminated reserve account with designated account for that same program.
- 5 **School lunch computation.** Raises the school lunch reimbursement aid by 1.5 cents per meal served from 10.5 cents to 12 cents.
- 6 **Building allocation.** Allows a school district that opens or closes school buildings, changes school attendance areas, or otherwise significantly change its enrollment to adjust the allocation of its compensatory revenue accordingly.
- 7 **Levy authority for certain unfunded severance and retirement costs.** Authorizes a school district that has participated in the cooperative secondary facilities program to levy for certain severance and retirement costs. Sets the maximum levy amount per consolidated districts at \$150,000 per year for each of the next 10 years. Requires the revenue received under this section to be reserved and spent only for severance and retirement costs.
- 8 **Notice to commissioner; forms.** Extends the notification date to the commissioner of revenue from October 7 to October 10, for those school districts that have reached an agreement with their home county auditor to certify their proposed property tax levy later as provided in section 2. This levy is used for the Truth-in-Taxation notice.
- 9 **Proposed levy.** Extends the certification date for the proposed levy by one week, from September 30 to October 7, for those school districts that have reached an agreement with their home county auditor to the delayed date. This levy is used by the county auditor in preparing Truth-in-Taxation notices.
- 10 **Overlapping jurisdictions.** Extends from October 5 to October 10 the date for the home county auditor to certify the proposed levy and the proposed local tax rate to the other county auditor(s) for taxing authorities lying in two or more counties.
- 11 **Plainview-Elgin-Millville; fund balance calculations.** Removes the ECFE and school readiness fund balance penalties applied to the consolidated district of Plainview-Elgin-Millville for fiscal year 2007. Authorizes the school district to submit revised account information to the Department of Education for purposes of calculating the consolidated school districts fund balances.
- 12 **Fund transfers.**

Subd. 1. Brainerd. Authorizes Independent School District No. 181, Brainerd, to transfer up to \$750,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.

Subd. 2. Campbell-Tintah. Authorizes Independent School District No. 852, Campbell-Tintah, to transfer up to \$100,000 from its reserved for operating capital account to its undesignated general fund without making a levy reduction.

Subd. 3. Comfrey. Authorizes Independent School District No. 81, Comfrey, to transfer up to \$250,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.

Subd. 4. Floodwood. Authorizes Independent School District No. 698, Floodwood, to transfer up to \$227,000 from its disabled accessibility fund to its undesignated general fund balance without making a levy reduction.

Subd. 5. International Falls. Authorizes Independent School District No. 361, International Falls, to transfer up to \$100,000 from its reserved for operating capital

account to its undesignated general fund balance without making a levy reduction.

Subd. 6. Jackson County Central. Authorizes Independent School District No. 2895, Jackson County Central, to transfer up to \$300,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.

Subd. 7. Red Rock Central. Authorizes Independent School District No. 2884, Red Rock Central, to transfer up to \$81,000 from its reserved for disabled accessibility account to its undesignated general fund balance without making a levy reduction.

Subd. 8. Windom. Authorizes Independent School District No. 177, Windom, to transfer up to \$50,000 from its reserved for operating capital account to its undesignated general fund balance without making a levy reduction.

13 Appropriations. Appropriates money for:

- school lunch;
- school breakfast; kindergarten milk;
- summer food service replacement aid; and
- Plainview-Elgin-Millville fund balance replacement aid.

14 Repealer. Repeals 123D.749 (Structurally Balanced School District Budgets).

Article 6: Libraries

1 Services to the blind and physically handicapped. Directs the education department to provide specialized services to the blind and physically handicapped through the Minnesota Library for the Blind and Physically Handicapped under a cooperative plan with the national Library Services for the Blind and Physically Handicapped of the Library of Congress.

2 Limitation. Declares that in the context of regional library basic system support grants, funds collected from a sales and use tax for extending the operating hours of Hennepin County and Minneapolis public libraries under MS, section 473.757, subdivision 2, are not considered amounts provided by a city or county to support public library operations.

Makes this section effective immediately.

3 Department of education; library appropriations. The governor vetoed a \$4.5 million appropriation for the merger of the Hennepin County and Minneapolis library systems.

See the attached fiscal sheet or <http://www.house.leg.state.mn.us/fiscal/fahome.htm>. for the House Fiscal Analysis spreadsheet.

Article 7: State Agencies

1 Cross-subsidy report. Directs the commissioner to annually submit a report to the legislature, by January 10, on the amount each school district is cross-subsidizing special education costs with general education revenue.

2 Disposition of license fees. Directs the local county registrar to deposit \$3 of the marriage license fee in the state government special revenue fund that is appropriated to the commissioner of public safety for parenting time centers.

3 **Rulemaking authority; career and technical education.** Directs the education commissioner to adopt rules for administering career and technical education programs for students in grades 7 to 12 to ensure that the career and technical levy and career and technical programs can be administered to serve students under current state and local organizational structures.

Makes this section effective immediately.

4 **Appropriations; Department of Education.** Appropriates money to the state education department.

5 **Appropriations; Minnesota State Academies.** Appropriates money to the Minnesota Academies for the Deaf and Blind.

6 **Appropriations; Perpich Center for Arts Education.** Appropriates money to the Perpich Center for Arts Education.

7 **Appropriations; Department of Public Safety.** Appropriates money to the department of public safety for parenting time centers.

See the attached fiscal sheet or <http://www.house.leg.state.mn.us/fiscal/fahome.htm>. for the House Fiscal Analysis spreadsheet.

Article 8: Pupil Transportation Standards

1 **Early childhood family education participants.** Clarifies that school districts may transport ECFE and school readiness participants along all school bus routes when space is available.

2 **Student training.** Clarifies that students taking driver's training instruction classes must receive appropriate information regarding school bus safety.

3 **Cellular phone.** Defines cellular phone.

4 **Personal cellular phone call prohibition.** Prohibits a school bus driver from using a cell phone for personal reasons when the school bus is in motion.

5 **Driver seat belt.** Requires all school buses and Head Start buses to have driver seat belts.

6 **National Standards adopted.** Conforms the state's school bus equipment standards to the 2005 (instead of 2000) "National School Transportation Specifications and Procedures."

7 **Applicability.** Makes the new standards apply to school buses manufactured after December 31, 2007.

8 **Electrical system; battery.** Raises the minimum amperage of school bus generators and alternators to 130 amperes.

9 **Identification.** Clarifies that after December 31, all type A, B, C, and D buses must display lettering that reads "Unlawful to pass when red lights are flashing."

10 **Seat and crash barriers.** Requires all school bus seats to have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point.

11 **Driver's license classifications, endorsements, exemptions.** Clarifies that a person may drive certain multifunctional school activity buses and certain type A school buses without a school bus endorsement.

12 **Exception for certain school bus drivers.** Clarifies that the bus drivers must be trained in the proper use of child safety restraint systems if child safety restraints are used by the passengers on the school bus.

13 **Training.** Allows a school bus driver to receive at least eight hours of school bus in-service training as an alternative to being assessed for bus driver competencies.

14 **Rules revised.** Grants the commissioner of public safety the authority to amend and adopt revisions to the listed rules under the good cause exemption to the state rulemaking process.

15 **Repealer.** Repeals the following effective January 1, 2008:

- 169.4502, subdivision 15 - oil filters and oil filtration systems;
- 169.4503, subdivision 17 - number of mirrors on school buses;
- 169.4503, subdivision 18 - overall width limits on school buses; and
- 169.4503, subdivision 26 - crossing control arm automatic relays.

Article 9: Early Childhood and Adult Programs

- 1 **Distribution of appropriation.** Modifies statutes for distribution of Head Start program funds. Requires the commissioner to develop procedures to make payments based on the number of children reported to be enrolled during the required time of program operations. Lists requirements, including reporting schedules and corrective action plan requirements, and financial consequences. Reduces subsequent allocations to programs reporting chronic under-enrollment. Anticipates shifting funds to fully enrolled programs.
- 2 **Application requirements.** Modifies application content for eligible Head Start organizations by requiring a plan for providing Head Start services in conjunction with full-day child care programs that minimize child transitions, increase program intensity and duration, and improve outcomes.
- 3 **Full-day requirements.** Requires a phase-in of full-day services for Head Start programs or licensed childcare, with 25 percent full-day services by FY 2009; 40 percent by FY 2011; and 50 percent by FY 2013. Allows Head Start to provide full-day services using its own program model or in cooperation with licensed full-day child care programs. Allows Head Start programs to request exemptions from the commissioner for stated reasons.
- 4 **Developmental screening program information.** Directs a school district to inform parents that development screening is not required if a statement objecting to the screening is signed by the parents and submitted to the school.
- 5 **Establishment; purpose.** Adds providing parenting education to the purposes for community education programs.
- 6 **Program requirements.** Amends program requirements for early childhood family education programs. Amends the list of program requirements to include, among other requirements, a plan for providing Head Start services in conjunction with full-day child care programs.
- 7 **Teachers.** Changes requirements for early childhood education program teachers to require teachers to be licensed in early childhood or parent education.
- 8 **Plan and program data submission requirements.** Requires ECFE programs to submit a biennial plan. Phases in submission of this plan, with one-half of district plans submitted by April 1, 2009, and the other half of district plans submitted by April 1, 2010. Requires submission of annual program data before certification of a levy.
- 9 **Revenue.** Increases ECFE revenue for FY 2008 and later from \$112 to \$120 per resident child under age 5.
- 10 **Early childhood family education levy.** Removes outdated language. Beginning with levies in FY 2011, prohibits districts from certifying levies for programs not meeting annual reporting requirements.
- 11 **Use of revenue restricted.** Allows up to 10 percent of ECFE program revenue to be used to purchase equipment, materials, and specified instructional aids. Allows districts to apply to the commissioner for an exemption from this limit.

- 12 **Home visiting levy.** Clarifies that a district that is eligible to levy for ECFE may have a home visiting levy if it has entered an agreement to provide education services and social services to families with young children.
- 13 **Program requirements.** Requires providers to include early literacy skills in a school readiness program.
- 14 **After-school community learning programs.** Establishes a competitive statewide after-school community learning grant program for programs serving youth after school or during non-school hours. Lists expected outcomes from grants and requires grant applicants to submit plans to the commissioner for approval.
- 15 **State total adult basic education aid.** Increases funding for the adult basic education aid program.
- 16 **Adult basic education program aid limit.** Increases aid per contact hour from \$21 to \$22. Establishes limits for program aid.
- 17 **Appropriations; Department of Education.** See fiscal tracking sheet.
- 18 **Appropriations; Department of Health.** See fiscal tracking sheet.
- 19 **Repealer.** Repeals MELF in section 124D.175 and outdated ABE language in section 124D.531, subdivision 5.

Article 10: Education Forecast Adjustments

Conforms 2007 appropriations to the February, 2007, state economic forecast.

Article 11: Technical and Conforming Amendments

- 1 **Revenue.** Corrects an incorrect cross reference.
- 2 **Taxable property.** Strikes an obsolete statutory reference.
- 3 **Account transfer for statutory operating debt.** Strikes an obsolete statutory reference.
- 4 **Statutory operating debt.** Strikes an obsolete statutory reference.
- 5 **Debt elimination.** Strikes an obsolete statutory reference.
- 6 **Applicability.** Strikes obsolete statutory references.
- 7 **Net unreserved general fund balances.** Corrects an incorrect cross reference.
- 8 **Foundation staff.** Corrects education department office/division reference.
- 9 **Allocations from cooperative units.** Strikes an obsolete statutory reference.
- 10 **Local interagency agreements.** Corrects a federal law reference.
- 11 **Procedural safeguards.** Corrects federal law references.
- 12 **Complaint procedure.** Corrects a federal law reference.
- 13 **Interagency dispute procedure.** Corrects a federal law reference.
- 14 **Internet access for students.** Strikes an obsolete statutory reference.
- 15 **Training and experience index.** Fixes in time a reference to a statutory section since repealed.
- 16 **Pupil unit.** Strikes an obsolete statutory reference.
- 17 **Reporting.** Strikes an obsolete statutory reference.
- 18 **Telecommunications aid.** Corrects an incorrect reference to the education department.
- 19 **Repealer.** Repeals obsolete subdivisions no longer in effect due to the repeal of the provisions that are cross referenced the subdivisions.