

House Research Act Summary

CHAPTER: 116

SESSION: 2013 Regular Session

TOPIC: Omnibus K-12 Education Finance and Policy

Analyst: Tim Strom
Lisa Larson

Date: June 11, 2013

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd/.

Overview

This is the omnibus K-12 education finance and policy act.

Section

Article 1: General Education

- 1** **Age limitations; early admission to kindergarten.** Requires that board-adopted policies for early admission be based on a comprehensive evaluation to determine the child's ability to meet kindergarten expectations and progress to first grade in the subsequent year.
- 2** **Length of school year.** Requires a school district to have at least 165 days of instruction in each school year unless the commissioner of education has approved an alternative calendar for the district.

Requires an all-day kindergarten program to include 850 hours of instruction.
- 3** **Voluntary dissolution; referendum revenue.** Conforms certain referendum revenue calculations to the new pupil weights.
- 4** **Consolidation; maximum referendum authority.** Replaces references to resident marginal cost pupil units with references to adjusted pupil units in school district reorganization statutes, to align with pupil accounting changes made in other sections of the bill.

Section

- 5** **Alternative method.** Replaces references to resident marginal cost pupil units with references to adjusted pupil units in school district reorganization statutes, to align with pupil accounting changes made in other sections of the bill.
- 6** **Elementary pupils.** Clarifies that all-day kindergarten pupils are counted as 1.0 pupils for purposes of nonpublic pupil aid.
- 7** **Inflation adjustment for nonpublic pupil aids.** Modifies the inflation adjustments for nonpublic pupil transportation aid due to pupil unit weight changes.
- 8** **PSEO pupil transportation.** Allows school districts to transport PSEO pupils to and from the postsecondary institution if the pupil is participating in an articulated program.
- 9** **Pupil transportation definitions.** (b) For purposes of calculating the cost to a school district of providing transportation to children with disabilities and computing special education initial aid, allows a school district to transport a child who does not have a school of origin to the same school attended by that child's sibling if the siblings are homeless.
- 10** **District reports; transportation data.** Allows a school district that contracts for transportation services to allocate certain transportation expenses based on contract rates under certain circumstances.
- 11** **Inflation adjustment for nonpublic pupil aids.** Modifies the inflation adjustments for nonpublic pupil aid and nonpublic pupil transportation aid to reflect the new pupil unit weights.
- 12** **Kindergarten instruction.** Requires a school board that has adopted a policy to allow a child under the age of five to enroll in kindergarten to establish a comprehensive evaluation to be used to determine the kindergarten pupil's cognitive, social, and emotional development. Requires parents and the commissioner to have access to the board's early kindergarten admission policy.
- 13** **Commissioner designation; learning year revenue.** Eliminates the ability of a school district to use learning year program revenue (under the extended time statute) for accelerated grade level advancement.
- 14** **Career and technical revenue.** Converts the career and technical levy to an equalized aid and levy. Raises the career and technical revenue by \$4 million for fiscal year 2014 and adds equalization aid for fiscal year 2015 and later. Clarifies the expenditure calculations for career and technical programs offered jointly by school districts (beginning with taxes payable in 2015, the career and technical levy formula is based solely on 35 percent of approved program expenditures).

Section

15 Pupil unit weights. Changes pupil unit weights beginning in fiscal year 2015 as follows:

Category	Old Weight	New Weight
Prekindergarten disabled	1.25	1.0
Kindergarten disabled	1.0	1.0
Kindergarten full-day	.612	1.0
Kindergarten part-day	.612	.55
1 st to 3 rd grade	1.115	1.0
4 th to 6 th grade	1.06	1.0
7 th to 12 th grade	1.30	1.20

To qualify for the higher all-day every day kindergarten weight, a pupil must be enrolled in a free all-day every day kindergarten program that is available to all kindergarten students at the pupil's school.

- 16 Adjusted pupil units.** Eliminates “marginal cost” calculations from the definition of pupil units. Beginning in FY 2015, establishes a new component of general education revenue, “declining enrollment revenue,” to replace funding previously provided to districts with declining enrollment through marginal cost pupil units. Sets declining enrollment revenue equal to the decline in adjusted pupil units between the prior year and the current year times 28 percent of the formula allowance. Strikes definitions of adjusted marginal cost pupil units and resident marginal cost pupil units.
- 17 Resident pupil units.** Eliminates marginal cost (declining pupil) pupil units.
- 18 Learning year pupil unit.** Clarifies that a kindergarten pupil is considered to be a full-time pupil if that pupil receives at least 850 hours of instruction during the year.
- 19 General education revenue.** Changes alternative teacher compensation from a component of general education revenue to a categorical revenue. Adds declining enrollment revenue and pension adjustment revenue to the general education revenue formula.
- 20 Basic revenue.** Increases the formula allowance by \$78 (1.5 percent), from \$5,224 to \$5,302 for FY 2014. Increases the formula allowance by another 1.5 percent in FY 2015. Calculates basic revenue using adjusted pupil units rather than adjusted marginal cost pupil units. Sets the formula allowance for FY 2015 and later at \$5,806.
- 21 Extended time revenue.** Conforms the extended time revenue allowance to the new pupil weights.
- 22 Gifted and talented revenue.** Conforms the gifted and talented allowance to the new pupil weights.

Section

- 23** **Small schools revenue.** Includes small high schools in geographically isolated school districts in the small schools revenue formula. Removes marginal cost pupil from the formula, adjusts the formula amounts to reflect the new pupil weights.
- 24** **Declining enrollment revenue.** Establishes a new component of general education revenue called “declining enrollment revenue,” designed to replace funding previously provided to districts with declining enrollment through marginal cost pupil units. Sets declining enrollment revenue equal to the decline in adjusted pupil units between the prior year and the current year times 28 percent of the formula allowance. Strikes definitions of adjusted marginal cost pupil units and resident marginal cost pupil units.
- 25** **Compensatory revenue.** Adjusts the compensatory revenue formula for fiscal year 2015 and later to neutralize the impact of the change in pupil unit weights.
- 26** **Secondary sparsity revenue.** Deducts \$530 from the formula allowance used in calculating secondary sparsity revenue for FY 2015 and later to neutralize the impact of pupil unit weighting changes.
- 27** **Elementary sparsity revenue.** Deducts \$530 from the formula allowance used in calculating elementary sparsity revenue for FY 2015 and later to neutralize the impact of pupil unit weighting changes.
- 28** **Total operating capital revenue.** Adjusts the operating capital allowances used to compute operating capital revenue to compensate for the elimination of marginal cost pupil units and the new pupil unit weights.
- 29** **Operating capital levy.** Increases the equalizing factor for operation capital from \$10,194 to \$14,500.
- 30** **Operating capital uses.** Updates the allowable uses of operating capital revenue to include computer hardware, software, and annual licensing fees.
- 31** **Transportation sparsity revenue.** Adjusts the transportation sparsity allowances to account for the removal of marginal cost pupil unit accounting and the new pupil weights.
- 32** **Equity revenue.** Adjusts the equity revenue allowances to account for new pupil unit weights.
- 33** **Equity levy.** Adjusts the equity levy equalizing factor to conform to the revised pupil weights.
- 34** **Transition revenue.** Holds districts and charters harmless against certain changes in revenue calculations in comparison to current law.
- 35** **Transition levy.** Adjusts the equalization factor for transition revenue to account for new pupil unit weights.

Section

- 36** **Alternative teacher compensation.** Strikes obsolete language. Removes the Alternative Teacher Compensation program from General Education revenue to a categorical revenue program.
- 37** **Alternative teacher compensation levy.** Strikes obsolete language. Rolls Alternative Teacher Compensation program out of General Education revenue.
- 38** **Alternative teacher compensation aid.** Strikes obsolete language. Rolls Alternative Teacher Compensation program out of General Education revenue.
- 39** **Pension adjustment revenue.** Establishes a new component of general education revenue, beginning in fiscal year 2015, for districts with a below average reduction for changes in employer pension contributions under section 127A.50 for FY 2014.
- Sets the revenue per pupil unit equal to the difference between the district's FY 2014 pension adjustment per pupil unit and the state average FY 2014 aid reduction per pupil unit.
- 40** **Learning and development revenue.** Beginning in FY 2015, converts the current class size reduction set aside from an amount based on pupil unit weights to an equivalent amount per student in Average Daily Membership (ADM). Deletes additional revenue use language to account for expansion of all day kindergarten.
- 41** **General education and basic skills revenue usage expansion.** Allows school districts to use general education revenue to meet the needs of three- and four-year olds in the district as long as the district does not have a fee-based all-day kindergarten program. Allows school districts to use basic skills revenue to prepare early learners for kindergarten.
- 42** **Uses of kindergarten revenue.** Allows school districts to use general education revenue to meet the needs of three- and four-year olds in the district as long as the district does not have a fee-based all-day kindergarten program. Allows school districts to use basic skills revenue to prepare early learners for kindergarten.
- 43** **Student achievement rate.** Requires the commissioner to set the student achievement levy rate at the amount that raises \$20 million in FY 2015 and later years.
- 44** **Student achievement levy.** Establishes a new general education levy imposed on ANTC. All districts may levy up to the general education rate. If a district levies less than the permitted rate, its general education aid is reduced proportionally.
- 45** **Student achievement levy; districts off the formula.** Establishes a new general education levy imposed on ANTC. Proportionately reduces all districts general education aid. If the district levies less than the maximum permitted rate, its general education aid is reduced proportionally.
- 46** **General education aid.** Adjusts general education aid categories to match the new formula.

Section

- 47** **Uses of revenue; basic skills.** Allows basic skills revenue to be used for programs designed to prepare children for entry into school including early education programs, parent-training programs, school readiness programs, early kindergarten programs for four-year olds, and voluntary home visits and other outreach efforts.
- 48** **Building allocation.** Authorizes a school board to spend up to 5 percent of total compensatory revenue on early education programs. Adds this authority to the board's authority to spend 5 percent of total compensatory revenue at sites at its discretion (the remaining 90 percent of compensatory revenue must be spent at the site where the revenue is generated).
- 49** **Referendum revenue.** Converts referendum revenue from a rate per resident marginal cost pupil unit to a rate per adjusted pupil unit. Builds the alternative attendance adjustment into the rate per pupil rather than calculating a separate adjustment. The new rate per pupil unit will generate the same revenue for each district for FY 2015 as the sum of the old rate per pupil unit and the old alternative attendance adjustment.
- Recalculates the standard and grandfather referendum caps to reflect the pupil unit weighting changes and conversion to a rate per adjusted pupil unit. The new standard cap is \$1,845 per new pupil unit for FY 2015, and is adjusted for inflation using the consumer price index in later years.
 - Adjusts the grandfather cap for pupil unit weighting changes and conversion to a rate per adjusted pupil unit, and further guarantees that a district's cap will not be less than the amount needed to ensure that a district will not receive less referendum revenue for FY 2015 after the conversion than under current law.
 - Sets the upper limit for Tier 2 referendum equalization at 25 percent of the formula allowance and adjusts referendum equalization factors for the pupil unit weighting change. Uses resident pupil units rather than RMCPU for purposes of calculating district property value per pupil for referendum equalization purposes.
 - Guarantees that a district's referendum equalization aid for FY 2015 will not be less than the sum of the referendum equalization aid and the alternative attendance adjustment the district would have received for FY 2015 under current law. For FY 2016 and later, adjusts the referendum equalization aid guarantee for any future reductions in a district's referendum allowance and for change in referendum market value.
- Note that additional changes to the referendum revenue program are contained in the 2013 omnibus tax bill.
- 50** **Annual general education and appropriation.** Removes the early graduation scholarships and military service awards from the general education appropriation beginning in FY 2014.

Section

- 51 Building lease levy.** Changes the maximum rate for the building lease levy from \$150 to \$162 per pupil unit for districts and from \$43 to \$46 for intermediate district members to adjust for the pupil unit weighting changes.
- 52 Lease purchase; installment buys.** Clarifies that the four school districts that are associated with first-class cities (Minneapolis, St. Paul, Duluth, and Rochester) may continue to use the lease purchase levy if their desegregation plans have been approved by the commissioner. Allows other districts to use the lease purchase levy for projects that are primarily used for interdistrict desegregation efforts.
- 53 Safe schools levy.** Increases the safe schools levy by \$4 per pupil unit for taxes payable in 2014 and later. The statutory amount increases by \$6 per pupil to adjust for the pupil weight changes. Expands the uses of the levy to include facility security enhancements, efforts to improve the school climate, and costs associated with mental health services.
- 54 Alternative attendance adjustments.** Beginning in FY 2015, strikes language related to alternative attendance adjustments for referendum revenue, which are rolled into referendum allowances. Beginning in FY 2015, requires the serving district or charter school to cover 10 percent of unfunded special education costs, reducing the amount borne by the resident district from 100 percent to 90 percent. Adjusts the transportation adjustment for charter schools for the pupil unit calculation changes.
- 55 Charter schools.** Conforms a formula co-efficient to the new pupil weight.
- 56 Statewide average revenue.** Adjusts for pupil unit calculation changes, deletes obsolete language and corrects cross references.
- 57 School district levy adjustments.** Adjusts school district tax rates and equalizing factors for any adjustments to class rates made in the tax bill.
- 58 Appropriations.** Appropriates money for the following general education programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
- ▶ general education aid
 - ▶ enrollment options transportation
 - ▶ abatement revenue
 - ▶ consolidation revenue
 - ▶ nonpublic pupil education aid
 - ▶ nonpublic pupil transportation
 - ▶ one-room schoolhouse
 - ▶ compensatory revenue pilot project
 - ▶ career and technical aid

Section**59 Repealer.**

- ▶ early graduation scholarships
- ▶ military service awards
- ▶ certain provisions related to equity revenue and transition revenue (replaced with new formulas)
- ▶ referendum conversion allowance (obsolete)
- ▶ alternative teacher compensation (relaunched outside general education)
- ▶ aid reduction for changes in employer retirement contribution rates

Article 2: Student Accountability

1 Definitions. Creates a statutory definition for “academic standard” and moves the existing definitions of “benchmark,” “credit,” “elective standard,” “required standard,” and “school site” into a new definition section.

2 Educational expectations and graduation requirements for Minnesota’s students. Includes satisfactory completion of state credit requirements and demonstrating an understanding of academic standards on a nationally normed college entrance exam among the state graduation requirements.

Makes this section effective August 1, 2013, and applicable to students entering grade 9 in the 2013-2014 school year and later.

3 Required academic standards. Strikes obsolete language and makes conforming changes related to implementing state graduation requirements.

4 Benchmarks.**Subd. 1. Benchmarks implement, supplement statewide academic standards.**

(a) Makes technical and conforming changes on career and college readiness benchmarks.

(b) Directs the commissioner to make information about benchmarks readily accessible. Requires the commissioner to use benchmarks in developing career and college readiness assessments.

Subd. 2. Revisions and reviews required. Requires the commissioner to review and revise state academic standards and related benchmarks on a ten-year cycle. Directs the commissioner to include the contributions of Minnesota’s American Indian tribes in the required academic standards. Strikes obsolete provisions.

Section**5 Credits.**

Subd. 1. Graduation requirements. Makes technical and conforming changes regarding credit requirements for high school graduation.

Subd. 2. Credit equivalencies. Allows a one-half credit of economics taught in an agriculture education or business department to fulfill a one-half credit in social studies. Exempts an agriculture education teacher from certain subject area licensure requirements. Makes technical and conforming changes regarding high school graduation requirements.

Makes this section effective August 1, 2013, and applicable to students entering 9th grade in the 2013-2014 school year and later.

6 School district process for reviewing curriculum, instruction, and student achievement; striving for the world's best workforce.

Subd. 1. Definitions. (c) Defines the “world’s best workforce” as striving to meet school readiness goals, achieve third grade literacy for all students, close the academic achievement gap among racial, ethnic, and economic categories of students, have students attain career and college readiness before graduation, and have all students graduate from high school.

Subd. 1a. Performance measures. Lists measures used to determine district and school progress in striving to create the world’s best workforce, including students’ performance on the National Assessment of Educational Progress (NAEP), students’ academic achievement gap, students’ performance on the Minnesota Comprehensive Assessments (MCAs), high school graduation rates, and career and college readiness.

Subd. 2. Adopting plans and budgets. Directs a school board to publicly adopt a comprehensive long-term plan to support and improve teaching and learning that is aligned with the world’s best workforce and includes: clearly defined goals and benchmarks for instruction and student achievement for all students; a process to assess and evaluate students’ progress toward meeting academic standards and identify the strengths and weaknesses of instruction in pursuit of student and school success and student progress and growth toward college and career readiness; a system to periodically review and evaluate the effectiveness of instruction and curriculum, taking into account best practices, student outcomes, and principal and teacher evaluations; strategies for improving curriculum, instruction, and student achievement; education effectiveness practices that integrate instruction, curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and an annual budget for continuing to implement the district plan.

Section

Subd. 3. District advisory committee. Directs the district advisory committee to recommend academic standards, student achievement goals and measures, district assessments, and program evaluations. Allows school sites to expand upon district evaluations.

Subd. 4. Site team. Allows a school to establish a site team to develop and implement strategies and education effectiveness practices to improve instruction, curriculum, and student achievement at the site.

Subd. 5. Report. Directs the school board to publish a school performance report. Requires the board to hold an annual public meeting to review and revise goals, assessment outcomes, strategies, and practices for improving curriculum and instruction and to review district success in realizing previously adopted goals, related benchmarks, and the improvement plans leading to the world's best workforce.

Subd. 7. Periodic report. Directs school districts to periodically survey affected constituencies about their connection to and satisfaction with school. Requires the district to publish a summary report.

Subd. 9. Annual evaluation. (a) Directs the commissioner to identify effective strategies, practices, and use of resources by districts and school sites striving for the world's best workforce. Directs the commissioner to assist districts and sites throughout Minnesota in implementing these effective strategies, practices, and use of resources.

(b) Directs the commissioner to identify those districts in any consecutive three-year period not making sufficient progress toward improving teaching and learning and striving for the world's best workforce. Allows the commissioner, in collaboration with the affected district, to require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement commissioner-specified strategies and practices to improve and accelerate its progress in realizing its education goals. Directs the commissioner to consider districts' budget constraints and legal obligations when implementing this section.

Makes this section effective for the 2013-2014 school year and later.

- 7** **Regional centers of excellence.** (a) Establishes regional centers of excellence to assist and support school boards, school districts, school sites, and charter schools in implementing this section. Directs the centers to develop partnerships with service cooperatives, postsecondary institutions, integrated school districts, the education department, children's mental health providers, or other local or regional entities interested in providing a cohesive regional delivery system that serves all schools equitably. Requires centers to assist school districts, school sites, and charter schools in developing similar partnerships throughout the region. Allows centers to assist with common principles of effective practice, including measureable education goals, evidence-based practices, data-driven decision making, multi-layered levels of support, culturally responsive teaching and learning aligning state and local academic standards and career and college ready benchmarks, and engagement of families and

Section

communities. Requires centers to work with school site leadership teams to implement programs that close the academic achievement gap, increase students' progress and growth toward career and college readiness, and increase student graduation rates.

(b) Directs the department to assist the centers with staff, facilities, technical needs, and programmatic support and to work with the centers to provide a statewide system of regional support to help school boards, school districts, school sites, and charter schools effectively and efficiently implement the world's best workforce goals and other state and federal initiatives.

- 8** **Planning for students' successful transition to postsecondary education and employment; involuntary career tracking prohibited.** (a) Requires school districts, beginning in the 2013-2014 school year, to assist all students by no later than grade 9 to explore college and career interest and aspirations and develop a transition plan to postsecondary education or employment. Makes technical changes.

(c) Strikes paragraph encouraging school districts to use nonstate revenue and in-kind contributions to implement this section.

Makes this section effective immediately.

- 9** **Educational planning and assessment system (EPAS) program.** (c) Allows students enrolled in grade 8 in any school year through the 2011-2012 school year who have not demonstrated proficiency on the MCAs, the GRAD tests, or the basic skills tests before high school graduation to satisfy state high school graduation requirements in reading, math, and writing by taking the reading, math, or writing GRAD test, the WorkKeys job skills assessment, the Compass computer-adaptive college placement test, a nationally recognized armed services vocational aptitude test, or the ACT assessment for college admission.

(d) Directs the state to pay the test costs for public school students to participate in these assessments.

Makes this section effective immediately.

- 10** **Gifted and talented students program.** Directs districts to include traditionally underrepresented groups in their gifted and talented programs and to adopt procedures for early admission to kindergarten or first grade for gifted and talented learners.

- 11** **Mental health education.** Encourages school districts and charter schools to provide mental health instruction in grades 6 to 12 aligned with local health standards and integrated into existing programs or curriculum or the school's educational environment. Encourages the education commissioner, in consultation with the human services commissioner and mental health organizations, to provide school districts and charter schools with age-appropriate model learning activities and a resource directory for curriculum and instruction.

Makes this section effective immediately.

Section

12 **Statewide testing.** (a) Directs the education commissioner to make computer-adaptive reading and math assessments for students in grades 3 through 7 part of Minnesota's comprehensive assessment system. Requires 8th grade reading and math assessments to be aligned with state standards, administered annually, and include multiple choice questions.

(1) Declares that for students in grade 8 through the 2009-2010 school year, their state graduation requirements include the requirements under section 9 of this article, paragraph (c).

(2) Declares that for students in grade 8 in the 2010-2011 or 2011-2012 school year, their state graduation requirements are consistent with paragraph (c) of this section.

(3) For students under the preceding clause (1) or clause (2), allows a district to substitute a score from an alternative, equivalent assessment to satisfy state graduation requirements.

(c) Makes students in grade 8 in the 2012-2013 school year and later subject to state graduation requirements based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation.

Strikes language requiring students to demonstrate proficiency on state reading, math, and writing tests in order to graduate from high school.

Instead, in order to graduate from high school, requires students to:

(1) demonstrate understanding of required academic standards on a nationally normed college entrance exam;

(2) take achievement and career and college readiness tests in math, reading, and writing, consistent with paragraph (e) and to the extent available, to: monitor students' continuous development and growth in required knowledge and skills; to analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instruction adjustments, targeted interventions, or remediation; and based on students' progress and performance data, to determine students' learning and instructional needs and the instructional tools and best practices to support academic rigor for the student; and

(3) engage in age-appropriate exploration and planning activities and career assessments to identify personally relevant career interests and aptitudes and help students and their families develop a transition plan for postsecondary education or employment without need for postsecondary remediation.

Allows students with an individualized education program to satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

Requires the expectations of schools, districts, and the state for career or college readiness to be comparable in rigor, clarity of purpose, and rates of student completion.

Section

Requires a student under clause (2) to receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving a student's knowledge and skills in core subjects so the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation.

Directs schools and school districts to actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students.

Declares that students are not required to achieve a specific score or level of proficiency on a high school assessment in order to graduate from high school.

(d) Strikes language allowing students enrolled in grade 8 in any school year from the 2005-2006 to the 2009-2010 school year to receive a high school diploma without passing the math GRAD test if they satisfy certain conditions.

Directs the education commissioner, after consulting with the Minnesota State Colleges and Universities chancellor and using a request for proposal process, to contract for a series of assessments that are consistent with this subdivision, are aligned with state academic standards, and include career and college benchmarks. Requires math, reading, and writing assessments for students in grades 8 and 10 to be predictive of a nationally normed assessment for career and college readiness. Requires this nationally recognized assessment to be a college entrance exam and given to students in grade 11. Requires the series of assessments to include a college placement diagnostic exam and contain career exploration elements.

Directs the education commissioner and the Minnesota State Colleges and Universities chancellor to collaborate in aligning instruction and assessments for adult basic education students to provide the students with diagnostic information about the targeted interventions the students need so they may seek postsecondary education or employment without need for postsecondary remediation.

(1) Directs districts and schools annually to use the career exploration elements in the assessments to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Requires districts and schools to use timely regional labor market information and partnerships and other resources to help students and their families develop, pursue, review, and revise an individualized plan for postsecondary education or a career. Requires this process to help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways leading to an industry-recognized credential, an associate's degree, or a bachelor's degree.

(2) Requires students in grades 10 or 11 who are not yet academically ready for career or college to be given the college placement diagnostic exam before taking the college entrance exam. Expects students and parents, the school, and the district to use the results of the student's college placement diagnostic exam for targeted instruction, intervention, or

Section

remediation and to improve students' knowledge and skills and deepen students' understanding of career pathways leading to an industry-recognized credential, an associate's degree, or a bachelor's degree.

(3) Requires all students in grade 11, except those eligible for alternative assessments, to be given the college placement diagnostic exam. Declares students who demonstrate attainment of required academic standards to be academically ready for a career or college. Encourages such students to participate in courses awarding college credit.

(4) Requires students through grade 12 to continue to participate in targeted instruction intervention as appropriate.

(5) Requires a study to be conducted to determine the alignment between these assessments and state academic standards. Where alignment exists, requires the commissioner to seek federal approval to, and immediately upon receiving that approval replace Minnesota's federally required MCAs with the assessments under this paragraph.

(e) Requires schools, districts, and the state to have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for post secondary remediation. Requires the commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions to ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(f) For students in grade 8 in the 2012-2013 school year and later, requires a school, district, or charter school to record a student's progress toward career and college readiness on the student's high school transcript and to record the progress of other students as soon as practicable.

(h) Requires third through seventh grade computer-adaptive assessment results and grade 8 and high school test results to be available to districts for diagnostic purposes and to be disseminated to the public. Directs the commissioner to establish empirically derived benchmarks on adaptive assessments in grades 3 through 7 that reveal a trajectory toward career and college readiness. Requires the commissioner to publicly disseminate the test results.

(i) Requires third through seventh grade computer-adaptive assessments and 8th grade and high school tests to be aligned with state academic standards.

(j) Makes computer-adaptive assessment results for students in grades 3 through 7 and testing at the grade 8 and high school levels part of the statewide public reporting system.

Makes this section applicable to the 2013-2014 school year and later except that paragraph (a) applies immediately and the requirements for computer-adaptive reading and math assessments in grades 3 through 7 apply in the 2015-2016 school year and later. Requires

Section

the assessments contracted for under paragraph (d) to apply in the 2014-2015 school year and later.

- 13 Statewide and local assessments; results.** (a) For purposes of administering computer-adaptive assessments in reading and math to students in grades 3 through 7 beginning in the 2015-2016 school year, defines computer-adaptive assessments, fully-adaptive assessments, on-grade level, above-grade level, and below-grade level.
- (b) Directs the commissioner to use fully adaptive math and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year.
- (c) Directs the commissioner to implement computer-adaptive reading and math assessments for grades 3 through 7 and grade 8 and high school reading and math tests.
- (d) Directs the commissioner to ensure that: (1) individual student performance data and achievement reports are available within three school days unless an assessment reflects new performance standards; (2) individual student growth data are available from the student's first test to each proximate assessment using a constant measurement scale; (3) parents, educators, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and (4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to improve student instruction.
- (f), (g), (h) Make conforming and technical changes.
- Makes this section effective for the 2013-2014 school year and later except the requirements governing computer-adaptive reading and math assessments for grades 3 through 7 apply in the 2015-2016 school year and later. Makes results from career and college readiness benchmarks applicable in the 2014-2015 school year and later.
- 14 Educational accountability and public reporting.** Makes a conforming change.
- 15 State growth target; other state measures.** (e) Requires the commissioner to identify and report measures that demonstrate the success of learning year providers in improving the graduation outcomes of at-risk and off-track students. Allows the commissioner to report summary data on other education providers serving students eligible to participate in a learning year program.
- Makes this section applicable to summary data collected in the 2014-2015 school year and later and reported annually beginning July 1, 2015.
- 16 School performance reports.** Makes the percentage of students whose progress and performance levels are meeting career and college readiness benchmarks and longitudinal data on district and school progress in reducing disparities in students' academic achievement and in realizing racial and economic integration additional components of Minnesota's school performance reports. Refers to reports, not report cards.
- Makes this section effective for the 2013-2014 school year and later.

Section

- 17 Standard high school diploma for adults.** (a) Directs the education commissioner to adopt rules for providing a standard adult high school diploma to adults who are not eligible for K-12 services, do not have a high school diploma, and successfully complete a commissioner-approved adult basic education program of instruction needed to earn an adult high school diploma.
- (b) Requires adult basic education program participants to demonstrate the competencies, knowledge, and skills sufficient to ensure that postsecondary programs and institutions and potential employers regard persons holding a standard high school diploma and persons holding a standard adult high school diploma to be equally well prepared and qualified graduates. Requires approved adult basic education programs to issue a standard adult high school diploma to qualified persons.
- Makes this section effective July 1, 2014.
- 18 Career pathways and technical education advisory task force.**
- Subd. 1. Recommendations.** Establishes an advisory task force to recommend to the legislature how to structurally redesign secondary and postsecondary education to improve the secondary and postsecondary outcomes for students and adult learners, align secondary and postsecondary programs and Minnesota's workforce needs, and measure and evaluate the combined efficacy of public K-12 and postsecondary education programs.
- (b) Directs task force members to seek advice from educators, employers, policy makers, and other stakeholders and consider how to: better inform students about career options and ensure a skilled Minnesota workforce; develop and revise an education and work plan for each student aligned with the educational interests and needs of that student; improve monitoring of students' progress with targeted interventions and support and remove the need for remedial instruction; increase and accelerate high school students' opportunities to earn postsecondary credits leading to a certificate, license, or degree; better align secondary and postsecondary courses and expectations; better align high school standards and assessments, postsecondary readiness measures and entrance requirements, and the expectations of Minnesota employers; increase postsecondary completion rates; and provide postsecondary graduates with the skills needed for civic engagement, ongoing employment, and continuous learning.
- Subd. 2. Membership.** Lists the 15 members of the task force, all of whom must be appointed by July 15, 2013.
- Subd. 3. Terms.** Allows members to serve until the task force sunsets.
- Subd. 4. First meeting; acting chair; chair.** Direct the commissioner to convene the first meeting and act as chair until the members elect a chair at the first task force meeting.

Section

Subd. 5. Staff; technical assistance. Directs the commissioner to provide technical assistance and staffing for the task force.

Subd. 6. Report. Directs the task force to submit a written report with its recommendations to the legislature by February 15, 2014.

Subd. 7. Sunset. Causes the task force to expire the day after the report is submitted to the legislature or February 15, 2014, whichever date is earlier.

Makes this section effective immediately.

19 Standard adult high school diploma advisory task force.

Subd. 1. Establishment. Directs the education commissioner to appoint a nine-member advisory task force to recommend programmatic requirements for adult basic education programs leading to a standard adult high school diploma.

Subd. 2. Membership. Directs the commissioner to appoint representatives from identified organizations with expertise in adult basic education and employment to the task force by July 1, 2013.

Subd. 3. Duties. Directs the task force to review a report on adult secondary credentials and develop criteria for awarding the adult diploma.

Subd. 4, 5, 6. First meeting; chair; assistance. Direct the commissioner to convene the task force, appoint a chair, and provide technical assistance to task force members upon request.

Subd. 7. Report. Directs the task force by February 1, 2014 to submit to the commissioner its recommendations for providing a standard adult high school diploma to qualified persons. Directs the commissioner to consider these recommendations when adopting rules.

Subd. 8. Sunset. Causes the task force to sunset by February 2, 2014.

Makes this section immediately effective.

20 Appropriations. See fiscal tracking sheets.**21 Revisor's instruction.** Directs the revisor to make certain technical changes.**22 Repealer.** (a) Repeals rules governing K-12 English language arts standards made obsolete by the revised English language arts standards adopted in 2012.

(b) Repeals rule requirements related to the state reading, math, and writing GRAD tests.

Makes this section effective immediately.

Section**Article 3: Educational Excellence**

- 1** **Ages and terms.** (a) Increases to age 17 the age of compulsory attendance.
- (c) Allows a student age 16 or older to be assigned to an area learning center after consulting with the principal, the ALC director, and the parent.
- 2** **Withdrawal from school.** Makes the process for withdrawing from school applicable to students who are 17.
- 3** **Assessment of performance.** Makes assessment requirements for home school students applicable to students who are 17.
- Makes this section effective for the 2014-2015 school year and later.
- 4** **Legitimate exemptions.** Allows a parent to enroll a child in an alternative to a full-day kindergarten program without having the child declared “truant.” Requires a school board to excuse a kindergarten student from part of a school day at the parent’s request.
- 5** **Reports to superintendent.** Makes home school reporting requirements applicable to students who are 17.
- Makes this section effective for the 2014-2015 school year and later.
- 6** **Exclusions.** Excludes epinephrine auto-injectors from the general requirements for administering drugs and medicines in school.
- 7** **Possession and use of epinephrine auto-injectors; model policy.**
- Subd. 1. Definitions.** Defines “administer,” “epinephrine auto-injector,” and “school,” which includes public schools and nonpublic schools subject to the federal Americans with Disabilities Act.
- Subd. 2. Plan for use of epinephrine auto-injectors.** (a) Requires an annual plan for student-prescribed epinephrine auto-injectors that allows the student to possess or have immediate access to epinephrine auto-injectors in school.
- (b) Encourages nonpublic schools not subject to the federal Americans with Disabilities Act to develop a similar plan for students requiring epinephrine auto-injectors.
- (d) Allows the state model policy to require an assessment of a student’s ability to safely possess epinephrine auto-injectors, accommodate a student’s need to possess or have immediate access to epinephrine auto-injectors, and ensure that epinephrine auto-injectors are properly labeled.
- (e) Makes a technical change.

Section**8 Life-threatening allergies in schools; stock supply of epinephrine auto-injectors.**

Subd. 1. Districts and schools permitted to maintain supply. Allows districts and schools to maintain and administer epinephrine auto-injectors. Declares that administering epinephrine under this section is not the practice of medicine.

Subd. 2. Arrangements with manufacturers. Allows contracts with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair market, free, or reduced prices. Allows third parties to pay for a school's supply of epinephrine auto-injectors.

9 School counselors. Directs school counselors to assist students with high school graduation, career and college exploration and selection, college affordability planning, and transition into postsecondary education or training.**10 License and rules.** (b) Allows the Board of Teaching to issue up to two additional temporary one-year teaching licenses to an otherwise qualified candidate who has not passed the skills exam.

(n) Directs the Board of Teaching to adopt rules requiring teachers who are renewing their teaching license to acquire a more in-depth understanding of topics related to the warning signs of and accommodations for mental illness in children and adolescents.

Makes paragraph (b) effective immediately. Makes paragraph (n) effective August 1, 2014.

11 Teacher and support personnel qualifications. (b) Allows the Board of Teaching to issue up to two additional temporary, one-year teaching licenses to a qualified teacher candidate who has not passed the skills exam at the time the person successfully completes a teacher preparation program. Allows school districts to provide remedial assistance to those person who did not pass the skills exam, including persons for whom English is a second language and persons who completed their teacher preparation program outside Minnesota, and are teaching under a temporary license.

Makes the section effective immediately.

12 Applicants licensed in other states. (f) Allows the Board of Teaching to issue up to two temporary, one-year teaching licenses to an otherwise qualified out-of-state applicant who has not passed the skills exam.

Makes this section effective immediately.

13 K-12 license to teach deaf and hard-of-hearing students. (b) Requires K-12 teachers licensed to teach deaf and hard-of-hearing students to complete 30 continuing education clock hours on hearing loss topics as a condition of renewing their teaching license.

Makes this section effective August 1, 2013.

Section

- 14** **Notice of nonrenewal; opportunity to respond.** Prohibits a school board from declining to renew a coach's contract based solely on the existence of parent complaints.
- Makes this section effective immediately.
- 15** **Development, evaluation, and peer coaching for continuing contract teachers.** Amends teacher evaluation requirements by basing 35 percent of teacher evaluation results on data from valid and reliable assessments aligned to state and local standards and on state and local measures of student growth that may include value-added models or student learning goals.
- 16** **Development, evaluation, and peer coaching for continuing contract teachers.** Amends teacher evaluation requirements by basing 35 percent of teacher evaluation results on data from valid and reliable assessments aligned to state and local standards and on state and local measures of student growth that may include value-added models or student learning goals.
- 17** **Basic alternative teacher compensation aid.** Establishes a formula for basic alternative teacher compensation aid as a result of removing alternative teacher compensation from general education.
- Makes this section effective for revenue in fiscal year 2015 and later.
- 18** **Alternative teacher compensation levy.** Transfers alternative teacher compensation from the general education formula to a categorical program.
- Makes this section effective for revenue in fiscal year 2015 and later.
- 19** **Alternative teacher compensation equalization aid.** Transfers alternative teacher compensation from the general education formula to a categorical program.
- Makes this section effective for revenue in fiscal year 2015 and later.
- 20** **Staff development revenue.** Allows districts to use the two percent of basic revenue set-aside for staff development for teachers' evaluation, among other purposes.
- Makes this section July 1, 2013.
- 21** **Termination of enrollment.** Allows a district to terminate the enrollment of a nonresident student over age 17.
- Makes this section effective for the 2014-2015 school year and later.
- 22** **Online and Digital Learning Advisory Council.** (a) Increase the number of council members from 12 to 14. Requires two council members to represent technology business. Requires the other council members to represent school superintendents, special education specialists, technology directors, teachers, school districts from throughout Minnesota, full-time and supplemental programs, consortia, charter schools, teacher preparation programs, and parents.

Section

(b) Directs the council to bring online and digital learning matters to the attention of the education commissioner and the legislature and to provide input on online and digital learning matters. Makes technical changes.

(d) Directs the council to provide input to the education department and the legislature on digital learning matters.

(e) Directs the council to make annual policy recommendations on online and digital learning matters to the education commissioner and the legislature.

(f) Postpones the council's expiration date until June 30, 2016.

Makes this section effective immediately.

23 Establishment of flexible learning year program. Allows a consortium of school districts to jointly apply to the commissioner to operate a flexible learning year program.

24 Reading and math corps. Changes the name of the Minnesota reading corps program from ServeMinnesota Innovation to ServeMinnesota Americorps.

Establishes a Minnesota math corps program to give ServeMinnesota Americorps members a math instruction model they can use to provide instructional support to elementary and middle school students and their teachers and help the students meet state math standards.

Directs the education commissioner to submit a biennial evaluation report to the legislature to determine program efficacy.

Makes this section effective July 1, 2013.

25 School District EL Revenue. Makes technical changes related to the pupil weight change.

26 Community involvement. Directs the commissioner annually to gather information on the status of American Indian education in Minnesota. Requires the commissioner to submit the information to Minnesota's American Indian tribes for review and comment.

27 Consultation with the tribal nations education committee. (a) Directs the commissioner to consult with the tribal nations education committee on all issues relating to American Indian education.

(b) Declares that membership in the tribal nations education committee is solely at the committee's discretion.

28 Indian education director. Requires the commissioner to appoint an Indian education director to serve as a liaison, evaluate American Indian education in Minnesota, engage the American Indian community, advise the commissioner on American Indian education issues, and keep the American Indian community informed by reporting to the committee.

Section**29 Achievement and integration for Minnesota.**

Subd. 1. Program to close the academic achievement and opportunity gap. (a) Establishes a program to pursue racial and economic integration and increase student academic achievement, create equitable educational opportunities, and reduce academic disparities based on students' diverse racial, ethnic, and economic backgrounds. Requires the program to serve students from diverse backgrounds and locations.

(b) Defines "eligible district" to mean a district required to submit a plan to the education commissioner under Minnesota Rules governing school desegregation and integration or is a district member of a multidistrict integration collaborative that files a plan with the commissioner.

(c) Allows eligible school districts to use achievement and integration revenue to pursue academic achievement and racial and economic integration in schools through: (1) integrated learning environments; (2) policies, curricula, school personnel and other advocates to support and enhance these integrated learning environments, including through magnet schools, targeted interventions, and research-based and differentiated instruction; and (3) rigorous, career and college readiness programs for underserved students; integrated learning environments; cultural fluency, competency, and interaction; graduation and educational attainment rates; and parent involvement.

Subd. 2. Plan implementation; components. (a) Directs the school board of each eligible school district to develop and implement a long-term plan. Requires the plan to be incorporated into the district's comprehensive strategic plan under the section creating the world's best workforce. Allows plan components to include: innovative and integrated preK-12 learning environments that offer enrollment choices; family engagement initiatives; professional development opportunities; increased programmatic opportunities focused on rigor and college and career readiness for underserved students; and recruitment and retention of teachers and administrators with diverse backgrounds. Requires the plan to specify district and school goals for (1) reducing the disparity in academic achievement among racial and ethnic categories of students, excluding the categories of gender, disability, and English learner and (2) increasing racial and economic integration over time.

(b) Requires an eligible district to implement effective, research-based interventions that include formative assessment practices to reduce the disparities in student academic performance among specific categories of students as measured by students' progress and growth on state reading and math assessments and as aligned with the section creating the world's best workforce.

(c) Requires eligible districts to create efficiencies and eliminate duplication of programs and services under this section, which may include forming collaborations or a single, seven-county metropolitan area-wide partnership of school districts.

Section

Subd. 3. Public engagement; progress report and budget process. (a) As a condition of receiving achievement and integration revenue, requires the school board of an eligible district to incorporate school and district plan components under the section creating the world's best workforce into the district's comprehensive integration plan.

(b) Requires a school board to hold at least one formal hearing to publicly report its progress in realizing the goals identified in its plan. Requires the school board to provide the public with longitudinal data showing district and school progress in reducing the disparity in academic performance among specified categories of students and in realizing racial and economic integration. At least 30 days before the formal hearing, requires the board to post on the district Web site its plan, its preliminary analysis, relevant student performance data, and other longitudinal data. Requires a district to hold one meeting to satisfy the requirements of this section and the section creating the world's best workforce.

(c) Directs the district to submit a detailed budget to the commissioner by March 15 in the year before it implements its plan. Requires the commissioner to review and approve or disapprove the budget by June 1 of that year.

(d) Requires the longitudinal data to be based on student growth and progress in reading and math and on student performance data and achievement reports from reading and math assessments for grades 3 through 7 beginning in the 2015-2016 school year and either (i) school enrollment choices, (ii) awards of language proficiency or high achievement certificates, or (iii) school safety and students' engagement and connection at school. Allows additional data to be based on students' progress toward career and college readiness or rigorous coursework.

Subd. 4. Timeline and implementation. Requires a board to approve a three-year plan and submit the plan to the department by March 15. Requires a district that is a member of a multidistrict council to ratify the council plan before applying for revenue. Provides for a transition process during the 2013-2014 school year.

Subd. 5. Evaluation. Directs the commissioner to evaluate the efficacy of district plans in reducing disparities in student performance among specified categories of students and in realizing racial and economic integration. Directs the commissioner to report evaluation results to the legislature by February 1 of every odd-numbered year.

30 Achievement and integration revenue.

Subd. 1. Achievement and integration revenue. (a) Establishes a formula for determining an eligible district's achievement and integration revenue.

(b) Annually transfers 0.3 percent of each district's initial achievement and integration revenue to the department for oversight and accountability.

Subd. 2. Incentive revenue. Makes an eligible district's maximum incentive revenue equal to \$10 per adjusted pupil unit. Makes eligibility for revenue contingent

Section

on a district implementing a voluntary plan to reduce racial and economic enrollment disparities using approved intra-district and inter-district activities.

Subd. 3. Achievement and integration revenue. Establishes the amount of revenue.

Subd. 4. Achievement and integration aid. Establishes the amount of aid.

Subd. 5. Achievement and integration levy. Establishes the amount of levy. Shifts 100 percent of the levy certified for Minneapolis, St. Paul, and Duluth into the prior calendar year.

Subd. 6. Revenue uses. (a) Requires at least 80 percent of a district's revenue to be used for innovative and integrated learning environments, school enrollment choices, family engagement activities, and other approved programs providing direct services to students.

(b) Allows up to 20 percent of the revenue to be used for professional development and staff development activities and placement services.

(c) Restricts administrative expenditures to no more than 10 percent of the total revenue amount.

Subd. 7. Revenue reserved. Reserves revenue for authorized programs.

Subd. 8. Commissioner to withhold revenue. (a) Directs the commissioner to review a district's plan results by August 1 at the end of the third implementation year and determine if the district met its plan goals.

(b) Allows a district that meets its goals to submit a new three-year plan to the commissioner for review.

(c) For districts that do not meet their goals, requires the commissioner to:

(1) develop an improvement plan and timeline, in consultation with the affected district, that identifies strategies and practices for meeting plan goals; and

(2) use up to 20 percent of a district's revenue to implement the improvement plan until the district's goals are reached.

Makes this section effective for revenue for fiscal year 2014 and later. Makes subdivision 5 effective for taxes payable in 2014 only.

31 Habitual truant. Amends the definition of habitual truant to conform with the increase in age for compulsory instruction.

Makes this section effective for the 2014-2015 school year and later.

Section

- 32 Achievement and integration; recommendations for conforming changes.** Directs the education commissioner to review the school desegregation rules for consistency with applicable statutes and make recommendations to the legislature by February 15, 2014, for revising the rules or statutes.
- Makes this section effective immediately.
- 33 Teacher Licensure Advisory Task Force.** Establishes a 20-member teacher licensure advisory task force to make recommendations by February 1, 2014, to the Board of Teaching, the commissioner, and the legislature on requirements for: teacher applicants to demonstrate mastery of reading, writing, and mathematics skills through nationally normed assessments, a professional skills portfolio, or accredited college coursework, among other alternatives; and an alternative licensure pathway for nonnative English speakers seeking licensure to teach in a language immersion program. Directs the Board of Teaching to consider the task force recommendations and adopt revised rules by January 1, 2015, governing the skills portion of the teacher licensure exam.
- Makes this section effective immediately.
- 34 Student support services; team staffing approach.** Directs the commissioner to develop recommendations for providing access to licensed student support services using a multidisciplinary team staffing structure.
- Makes this section effective immediately.
- 35 Fiscal year 2014 achievement and integration aid and levy.** Directs the education department to adjust the achievement and integration aid and levy for taxes payable in 2014.
- Makes this section effective for revenue for fiscal year 2014 and later.
- 36 Success for future grant applications.** Directs that a school district receive a success for the future grant if the district postmarks an application before the deadline for submitting applications.
- Makes this section effective immediately.
- 37 Appropriations.** See fiscal tracking sheets.

Article 4: Charter Schools**1 Charter schools.**

Subd. 1. Purposes. Makes improving learning and student achievement the primary purpose of a charter school.

Subd. 3. Authorizer. Makes technical changes.

Section**Subd. 4. Formation of school.** Clarifies and makes technical changes.

- (d) Makes members of a charter school board of directors eligible to vote in an election of members of the charter school board of directors.
- (f) Requires charter school board members to attend annual training. Makes a new board member who does not receive initial board training within six months of being seated on the board and who does not complete the initial training within 12 months of being seated automatically ineligible to continue board service.
- (g) Includes on the charter school board of directors at least one licensed teacher employed as a teacher at the charter school, one parent of an enrolled student who is not a charter school employee, and at least one community member who is a Minnesota resident. Allows the board to have a majority of teachers, parents, or community members or to have no clear majority. Allows only teacher employees at the school to serve on the board as the teacher representative. Allows a board to change its governance structure only by a majority vote of the board of directors and a majority vote of the licensed teachers teaching at the school. Makes technical changes.

Subd. 4a. Conflict of interest. (a) Prohibits an individual from serving as a board member if an immediate family member is a school employee or is an individual with whom the school contracts.

- (e) Exempts teachers teaching at a school and serving as a member of the charter school board of directors from conflict of interest provisions related to teacher compensation.

Subd. 6. Charter contract. Clarifies and makes technical and conforming changes. Makes the ability of a charter school to meet its performance requirements under the school's primary and other purposes and the terms of its contract a factor in determining whether the charter school contract is renewed. Requires a charter school board of directors, as part of an orderly plan for closing a charter school, to provide information and assist students in reenrolling in another school.

Subd. 6a. Audit report. (b) Requires charter schools to include supplemental information in the charter school audit report.

- (c) Requires a charter school independent audit report to include audited financial data of an affiliated building corporation.

Subd. 8. Federal, state, and local requirements. (j) Makes a technical change.

- (s) Makes charter schools subject to state truancy laws.
- (t) Requires charter schools to implement a teacher evaluation and peer review process.
- (u) Makes charter schools subject to the requirements for creating the world's best workforce.

Section

Subd. 9. Admission requirements. (b) Requires a charter school to publish its lottery admissions process on its Web site.

(d) Limits kindergarten enrollment to students who are at least 5 years old on September 1 in that calendar year and limits first grade enrollment to students who are at least 6 years old on September 1 in that calendar year or have completed kindergarten. Allows a charter school to enroll students earlier according to prescribed enrollment procedures if notice is published on the charter school Web site.

(e) Makes a conforming change.

Subd. 11. Employment and other operating matters. (c) Directs the board of directors to decide policy matters, including programming and personnel issues. Directs the board to adopt a policy on nepotism in employment. Directs the board to adopt personnel evaluation policies and practices that meet specified criteria.

Subd. 14. Annual public reports. (a) Requires a charter school to post its annual report on the school's official website.

(b) Directs the commissioner to establish specifications for an authorizer's annual public report. Requires the report to include key indicators of school academic, operational, and financial performance.

Subd. 15. Review and comment. (b) Clarifies what annual fees an authorizer may assess. Makes technical and conforming changes.

(f) Requires a charter school to annually submit to the commissioner a statement of income as well as expenditures.

Subd. 17. Leased space. Requires the department to review and approve or disapprove charter school leases to determine their eligibility for lease aid.

Subd. 17a. Affiliated nonprofit building corporation. (a) Requires an authorizer to submit an affidavit to the commissioner before a charter school may organize an affiliated nonprofit building corporation to expand an existing building.

Subd. 17b. Positive review and comment. Makes a technical change; adds a subdivision cross-reference.

Subd. 19. Disseminate information. Strikes a requirement for charter school operators to disseminate information about forming and operating a charter school.

Subd. 23. Causes for nonrenewal or termination of charter school contracts. (b) Allows a charter school contract to be terminated or not renewed for failing to demonstrate satisfactory academic achievement for all groups of students.

(c) Strikes language providing for a change in authorizers when the authorizer and the

Section

board of directors of a charter school mutually agree to terminate or not renew a charter school contract. Establishes an alternate process for changing authorizers when an authorizer and the charter school board of directors mutually agree to not renew a contract. Requires both parties to jointly submit a letter of intent to the commissioner. Requires the authorizer that is a party to the charter school contract to inform the proposed authorizer about the status of the charter school, including existing contractual obligations. Requires a proposed contract to identify and address outstanding obligations in the existing contract. Establishes a review and approval process and related time lines. Requires a charter school to dissolve if no change in authorizer is approved.

Subd. 25. Extent of specific legal authority. (c) Strikes a requirement that a charter school submit a copy of its insurance policy or changes in its carrier or policy to the commissioner.

Makes this section effective July 1, 2013, except subdivision 6 is effective August 1, 2013.

- 2, 3** **General education revenue; transportation revenue.** Amend charter school general education revenue to align with the changes to the general education revenue and pupil weights.
- 4** **Building lease aid.** Allows the commissioner to approve facility lease aid only if the lease has a sum certain annual cost and an escape clause the charter school may exercise if its charter contract is terminated or not renewed.
- 5 - 8** **Truancy.** Clarify that charter school pupils are subject to the truancy provisions of Chapter 260A.
- 9** **Appropriations.** See fiscal tracking sheets.
- 10** **Revisor's instruction.** Directs the revisor to undertake a technical recodification of the statutory sections governing charter schools.

Article 5: Special Programs

- 1** **Continuation dependent on federal law.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 2** **Special education aid.** Eliminates obsolete language and conforms a cross reference for special education revenue.
- Makes this section effective for fiscal year 2015 and later.
- 3** **Definitions.** (b) Provides examples of circumstances not within the definition of "emergency" for purposes of using restrictive procedures.
- (c) Makes technical changes.

Section

(f) Prohibits use of restrictive procedures to punish or otherwise discipline a child.

(g) Qualifies the definition of “seclusion” by identifying when an adult may bar a child from leaving a room.

Makes this section effective July 1, 2013.

4 Standards for restrictive procedures.

Subd. 1. Restrictive procedures plan. (a) Requires schools intending to use restrictive procedures to make public a plan that: lists the procedures the school will use; describes the positive behavior strategies the school will use and provides links to mental health services; describes how the school will monitor and review use of these procedures, including post-use debriefings and oversight by a committee undertaking a quarterly review of the use of the procedures; and describes and documents staff training.

(b) Requires schools to annually identify the membership of the oversight committee, which must include a mental health professional, a positive behavior strategies expert, a general education administrator, and a special education administrator.

Subd. 2. Restrictive procedures. (c) Requires a district to hold an individualized education program team meeting: within 10 days after staff uses restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child’s individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. Requires the district to review use of restrictive procedures at a child’s annual individualized education program meeting when the child’s individualized education program provides for use of restrictive procedures in an emergency.

(d) Requires a child’s individualized education program team to consult with professionals or other experts when existing interventions or supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year.

(e) Directs the team during an individualized education program meeting under paragraph (c) to review any medical information a parent voluntarily provides.

Subd. 3. Physical holding or seclusion. (a) Imposes requirements on a school using physical holding or seclusion including prohibiting the school from using physical holding or seclusion to discipline a child. Allows a district to use prone restraints until August 2015. Strikes obsolete language.

(b) Requires stakeholders by March 1, 2014, to recommend to the education commissioner specific, measurable goals for reducing the use of restrictive procedures and directs the commissioner to report to the legislature on districts’ progress in reducing use of restrictive procedures and recommendations for further reducing and

Section

eliminating use of these procedures. Strikes language requiring the department to develop a statewide plan. Directs the commissioner to consult with stakeholders when preparing the report. Strikes obsolete language. Requires districts to annually report to the department by June 30 summary data on district use of restrictive procedures.

Subd. 5. Training for staff. (a) Requires staff who use restrictive procedures, including paraprofessionals, to receive training in: standards for using these procedures only in an emergency; district policies and procedures for reporting and documenting use of restrictive procedures; and schoolwide programs on positive behavior strategies, among other training.

(b) Directs the commissioner to develop and maintain a list of experts to help individualized education program teams reduce the use of restrictive procedures.

Makes this section effective July 1, 2013.

- 5 Nonresident tuition rate; other costs.** Conforms cross references to the new special education funding formula and eliminates obsolete language.
- 6 Eligibility for Part C.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 7 Interagency child find systems.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 8 Parent.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 9 State interagency coordinating council.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 10 Responsibilities of county boards and school boards.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 11 Interagency early intervention committees.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C. Strikes a requirement that local early intervention committees review and comment upon the early intervention section of a district's total special education system.
- 12 Individualized family services plan (IFSP).** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 13 Service coordination.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 14 Lead agency; allocation of resources.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.

Section

- 15 Payment for services.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 16 Mediation procedure.** Requires a parent and the district to complete the mediation process within 30 days of when the education department, instead of the Office of Dispute Resolution, receives a parent’s mediation request unless the district declines mediation. Makes a written, signed mediation agreement binding on both parties and enforceable in court.
- 17 Definitions; regular special education aid.** Modifies the special education program annual growth factor. Defines “nonfederal special education expenditures” as all necessary and essential direct expenditures on special education programming excluding: (1) expenditures reimbursed with federal funds; (2) expenditures reimbursed with other state aid; (3) general education costs of serving the student; (4) facilities costs; (5) pupil transportation costs; and (6) postemployment benefit costs.
- Defines “old formula special education expenditures” as the expenditures that were counted under the prior law.
- Defines the eligible expenditures of the Minnesota State Academies for the Deaf and Blind as salary and fringe benefits of one-to-one instructional and behavior management aides (most of the Minnesota State Academies’ budget is funded through a line item appropriation).
- Defines “cross-subsidy reduction aid percentage,” “cross-subsidy reduction aid limit,” and special education aid increase limit.
- 18 Special education initial aid; regular.** Defines special education initial aid as the sum of:
- (1) the lesser of 62 percent of the district’s old formula special expenditures for the prior fiscal year; 50 percent of the district’s nonfederal special education expenditures for the prior year; or 56 percent of the sum of:
- (i) the product of the district’s average daily membership served and the sum of:
 - (A) \$450;
 - (B) \$400 times the ratio of the sum of the number of enrolled pupils who are eligible for free lunch plus 50 percent of the number of pupils eligible for reduced-price meals; and
 - (C) .008 times the district’s average daily membership served;
 - (ii) \$10,400 times the district’s number of students who are autistic, developmentally delayed, or severely multiply impaired;
 - (iii) \$18,000 times the district’s number of students who are deaf, hard of hearing, or have emotional or behavioral disorders; and

Section

(iv) \$27,000 times the number of students in the disability area of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind; and

(2) the cost of transporting students with disabilities.

19 Cross subsidy reduction aid. Creates a new category of special education aid called cross subsidy reduction aid. Sets the aid equal to the lesser of

(a) the product of the district's cross subsidy reduction aid limit and its pupils or

(b) the product of the cross subsidy reduction aid percentage and the district's average daily membership and the sum of:

(1) \$450;

(2) \$400 times the ratio of free and reduced price meal students; and

(3) .008 times the district's average daily membership plus;

(i) \$10,100 times the district's number of students who are autistic, developmentally delayed, or severely multiply impaired;

(ii) \$17,500 times the district's number of students who are deaf, hard of hearing, or have emotional or behavioral disorders; and

(iii) \$26,000 times the number of students in the disability area of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, or deafblind.

20 Special education aid; regular. Beginning in fiscal year 2016, sets a school district's special education aid equal to its initial aid plus its excess cost aid.

21 Statewide average expenditure. Requires the commissioner to annually report to the education finance committees of the legislature on the average special education expenditures by type of disability.

22 Adjustments for tuition reciprocity with adjoining states. Eliminates the need to make adjustments under the statewide special education cap for interstate tuition reciprocity payments.

23 Special education forecast; maintenance of effort. Requires that if an aid adjustment is necessary for the state to meet federal special education maintenance of efforts, the aid adjustment should be made through the excess cost aid formula.

24 Initial aid adjustment. Conforms a cross reference.

25 Definitions. Defines additional special education terms.

Section

- 26 Initial excess cost aid.** Changes the factors for excess cost aid. Sets the aid equal to the greater of: (1) 56 percent of the difference between the district's unreimbursed special education cost and 7 percent of the district's general education revenue, or 62 percent of the difference between the district's unreimbursed old formula special education cost and 2.5 percent of the district's general education revenue.
- 27 Out-of-state tuition.** Eliminates an unnecessary cross-reference.
- 28 Special education case loads task force.**
- Subd. 1. Members.** Directs the education commissioner to establish a ten-member task force with equal representation from school districts, including special education teachers and advocacy organizations, and parents of children with disabilities.
- Subd. 2. Duties.** Directs the task force to develop recommendations for the appropriate numbers of students with disabilities assigned to a classroom teacher with and without paraprofessional support and for cost effective and efficient strategies and structures for improving student outcomes. Also directs the task force to identify state rules that should be revised to align with state statute.
- Subd. 3. Report.** Directs the task force to submit a report to the legislature by February 15, 2014, recommending appropriate caseloads for teachers in all federal settings including educational service alternatives, and proposed state rule revisions.
- Subd. 4. Expiration.** Causes the task force to expire February 16, 2014.
- 29 Rulemaking authority.** Directs the education commissioner to amend special education rules using the expedited rule making process to conform the rules with federal law governing IDEA, Part C, to the extent needed to avoid loss of federal funds. Causes the rulemaking authority to expire on July 1, 2014.
- 30 Report on homeless children served.** Directs the commissioner to collect statistics on the number of homeless children who have received Part C services, and annually report those results to the legislature by July 1.
- 31 Appropriations.** See tracking spreadsheet.
- 32 Repealer.** Repeals the following effective for revenue for fiscal years 2016 and later:
- ▶ 124D.454, subd. 3. – access to Minnesota's transition system for children with a disability, initial aid
 - ▶ 124D.454, subd. 10. – access to Minnesota's transition system for children with a disability, exclusion
 - ▶ 124D.454, subd. 11. – access to Minnesota's transition system for children with a disability, revenue allocation from cooperative centers and intermediate districts

Section

- ▶ 125A.35, subds. 4 and 5. – obsolete language on 1993 base year expenditures and costs
- ▶ 125A.76, subds. 2, 4, 5, and 7. – special education initial aid, state total special education aid, school district special education aid, and revenue allocation from cooperative centers and intermediates
- ▶ 125A.79, subds. 6 and 7. – state total special education excess cost aid and district special education excess cost aid

Article 6: Facilities and Technology

- 1 Equalized debt service levy.** Adjusts the debt service equalization program equalizing factors to conform to the new pupil weight.
- 2 Debt service appropriation.** Converts the fixed, standing appropriation for debt service equalization aid to an open and standing appropriation.
- 3 Health and safety levy.** Adjusts the health and safety equalizing factor to conform to the new pupil weights.
- 4 Deferred maintenance revenue.** Adjusts the deferred maintenance allowance to conform to the new pupil weights.
- 5 Deferred maintenance levy.** Adjusts the deferred maintenance levy equalizing factor to conform to the new pupil weights.
- 6 District aid.** Adjusts the telecommunication aid allowance to conform to the new pupil weights.
- 7 Bonding authority; Minneapolis school district.** Makes permanent the authority for the Minneapolis school district to annually issue and sell \$15 million in facility bonds without voter approval.
- 8 Bonding authority; St. Paul school district.** Makes permanent the authority for the St. Paul school district to annually issue and sell \$15 million in facility bonds without voter approval.
- 9 School facilities financing work group.** Directs the commissioner to convene a working group to develop recommendations for reforming the financing of prekindergarten through grade 12 education facilities to create adequate, equitable, and sustainable financing of public school facilities.

Section

- 10** **Cyrus and Morris school district consolidation.** Permits Independent School District No. 611, Cyrus, to issue general obligation bonds in an amount not to exceed \$1,000,000 in order to demolish the Cyrus school building. The bonded debt would remain payable by the taxable property located within the boundaries of the former Cyrus school district. This section is effective the day following final enactment.
- 11** **Elevator repair; Norman County West.** Authorizes the Norman County West school district to levy \$27,500 in taxes payable in 2015 and 2016 for elevator repair.
- 12** **Appropriations.** See tracking spreadsheet.

Article 7: Nutrition; Libraries; Accounting

- 1** **Levy recognition.** Continues to forward shift the integration levy for school districts located in cities of the first class.
- 2** **School lunch aid computation.** Increases the state aid for each school lunch served from 12 to 12.5 cents beginning July 1, 2013.
- 3** **Summer food service replacement aid.** Requires that summer food service replacement aid be made on a pro-rata basis on December 15 to each sponsor based on their total meals served over the summer when school is not in session.
- 4** **Forward-shifted aid payments.** Eliminates the forward-shifting of the integration aid program.
- 5** **Aid payment percentage.** Adjusts the special education aid payment shift.
- 6 - 18** **Grant authorization; type of grants and aid.** Makes clear that library basic support aid and multicounty, multitype aids are state aids, not grants, for purposes of administrative documentation.
- 19** **Fund transfer; fiscal years 2014 and 2015 only.** Authorizes a school district, upon approval of the commissioner, to transfer money from any fund or account to any other fund or account unless that transfer would have an impact on state aids or local levies. Prohibits transfers from the community service fund, food service fund, or the reserved account for staff development revenue.
- 20** **Accelerated repayment of education aids.** Creates a onetime mechanism to use any state surplus that accumulates prior to June 30, 2013, to repay the school aid payment shifts by October 15, 2013. Keeps intact the existing language that allocates any forecast surpluses to repayment of the school shift.
- 21** **Appropriations.** Appropriates money for the following nutrition programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):

Section

- ▶ School lunch aid
- ▶ School breakfast aid
- ▶ Kindergarten milk
- ▶ Summer school service replacement aid
- ▶ Basic system support library grants
- ▶ Multicounty, multitype library systems
- ▶ Electronic library for Minnesota
- ▶ Regional library telecommunications aid

22 **Revisor's instruction.** Requires the Revisor of Statutes to rename certain library terms and services.

23 **Repealer.** Repeals forward shifted state aid payments.

Article 8: Early Childhood Education and Lifelong Learning

1 **Minnesota Youth Council Committee.** Creates § 16F.01.

Subd. 1. Establishment and membership. Establishes a committee composed of four members from each congressional district in Minnesota and four at-large members. Requires members to be between the ages of 13 and 19. Provides that members must be selected through an application and interview process conducted by the Minnesota Alliance With Youth.

Subd. 2. Duties. Requires the committee to provide advice and recommendations to the governor and legislature on issues affecting youth, to serve as liaison between youth and the governor and legislature, and to submit an annual report on the committee's activities.

Subd. 3. Partnerships. Requires the committee to work with nonprofits, the private sector, and education resources to fulfill its duties.

Subd. 4. Youth Council Committee in the legislature. Paragraph (a) requires the committee to meet at least twice each year during the regular legislative session.

Paragraph (b) allows the committee to select introduced bills for a public hearing before the committee, propose legislation, provide advisory opinions to the legislature on bills heard before the committee, and prepare a youth omnibus bill.

Paragraph (c) requires leaders of the majority and minority caucuses in both legislative bodies to each appoint a member to serve as a legislative liaison to the committee. Allows each legislative body, on rotating years, to appoint a staff member to staff the committee.

Section

- 2** **Early learning scholarships.** Establishes an early learning scholarship program to increase access to high-quality early childhood programs. Directs the education commissioner to administer the program.
- 3** **State total adult basic education aid.** Increases the growth factor for the adult basic education aid program from 1.02 to 1.025 for fiscal years 2015 and later.
- 4** **Early childhood education scholarships.** Clarifies that any early childhood education scholarships awarded during fiscal year 2013 do not count as earned income for other income assistance programs including Medical Assistance, MinnesotaCare, MFIP, child care assistance, and Head Start.
- 5** **Appropriations.** See fiscal tracking sheets.

Article 9: State Agencies

- 1** **Appropriations; Department of Education.** Appropriates \$20,058,000 in fiscal year 2014 and \$19,308,000 in fiscal years 2014 and 2015 for the Minnesota Department of Education.
- 2** **Appropriations; Minnesota State Academies.** Appropriates \$11,749,000 in fiscal year 2014 and \$11,664,000 in fiscal year 2015 for the Minnesota State Academies for the Deaf and Blind in Faribault. Sets aside \$85,000 for kitchen upgrades.
- 3** **Appropriations; Perpich Center for Arts Education.** Appropriates \$6,773,000 in fiscal year 2014 and \$6,773,000 in fiscal year 2015 for the Perpich Center for Arts Education.

Article 10: Forecast Adjustments

- 1** This article adjusts appropriations for fiscal year 2013 to reflect the February 2013 forecast changes. Because this article matches the forecast level of funding for each program, there is no fiscal cost or savings to any of these provisions.