

HOUSE RESEARCH

Bill Summary

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Authors: Seagren and Others
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Analyst: Tim Strom, 651-296-1886
Lisa Larson, 651-296-8036
Danyell Punelli, 651-296-5058

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Overview

Allocates K-12 education funding for the 2002-2003 biennium.

Section

Article 1: General Education Revenue

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- 1 **Superintendent; annual expenditures.** Eliminates the superintendent's annual report on expenditures required to ensure various passage rates on the Basic Skills Tests.
- 2-3 **Nonpublic costs.** Changes the date for CFL to certify nonpublic pupil aid rates for the upcoming school year from March 1 to February 1. This change aligns the aid certification date with the date on which CFL reports February forecast estimates to the Department of Finance, ensuring consistent data reporting.
- 4-5 **Levy recognition.** Permits school districts to recognize cash receipts from the spring settlement plus an additional amount of state aid received in July and August. Changes the calculation of the property tax shift for referendum levies from 31% of the current year's levy to the lesser of 50% of the current year's levy or 31% of the levy for taxes payable in 2001.
- 6 **Transportation reserve.** Allows school districts to reserve transportation revenue and spend the revenue on transportation purposes including bus purchases.
- 7 **Alternative programs.** Raises the minimum percentage of general education revenue that a district must provide to a contract alternative program from 90 to 95 percent.
- 8 **Pupil units.** Clarifies the calculation of pupil units for prekindergarten pupils with a disability.
- 9 **Remedial revenue pupil units.** Renames compensatory pupil units remedial pupil units.
- 10 **Adjusted pupil units.** Increases the revenue for districts with declining enrollment by changing

the definition of adjusted marginal cost pupil units from the sum of 77% of the current year's count plus 23% of the previous year's count to 50% of the current year count plus 50% of the previous year's count.

- 11 **Resident pupil units.** Increases the referendum revenue for districts with declining enrollment by changing the definition of referendum marginal cost pupil units from the sum of 77% of the current year's count plus 23% of the previous year's count to 50% of the current year count plus 50% of the previous year's count.
- 12 **General education revenue; definitions.** Deletes referendum offset adjustment from the list of revenue categories included in general education revenue, beginning in FY 2002. No districts qualify for a referendum offset adjustment beginning in FY 2002, due to the referendum conversion under section 126C.16, subdivision 3,. (In fiscal years 2000 and 2001, districts subject to a referendum allowance reduction received a \$25 per pupil unit referendum offset adjustment. Beginning in FY 2002, all referendum authority is converted to an allowance per pupil unit, based on the district's net referendum revenue per pupil unit in FY 2001, and there is no separate referendum allowance reduction. Without a referendum allowance reduction, there is no referendum offset adjustment.)
- 13 **Basic revenue.** Sets the general education formula allowance at \$4,050 for fiscal year 2002 and \$4,175 for fiscal years 2003 and later.
- 14 **Remedial education revenue.** Freezes the remedial revenue allowance at the basic formula allowance amount for fiscal year 2001.
- 15 **Supplemental revenue.** Clarifies the calculation of supplemental revenue.
- 16 **Transition revenue.** Deletes "adjustment" from name of transition aid and transition levy.
- 17 **Transition levy.** Delete "adjustment" from the name of transition levy.
- 18 **Transition aid.** Deletes "adjustment" from the name of transition aid.
- 19 **Equity revenue.** Increases a school district's equity revenue by measuring the gap between the district's revenue and the 95th percentile (instead of the 90th percentile). Eliminates the difference in equity revenue based on whether or not the district has passed an operating referendum. Changes the formula amounts from \$10 per pupil unit to \$8 per pupil unit plus \$64 (instead of \$30) times the district's equity gap times the newly created small schools index. Caps the overall amount of equity revenue at not more than \$150 per pupil unit.
- 20 **Statewide equity gap.** Combines the state into a single equity region (under current law, the schools districts are classified as either rural or metro for purposes of receiving equity revenue).
- 21 **District equity index.** Changes the calculation of each district's equity index to reflect the elimination of the regions.
- 22 **Small school index.** Creates a small school index. A school district with fewer than 1,500 pupils has an index number equal to one plus two times the ratio of 200 to the district's pupil units for that year (a school with 400 pupils has an index number of 2, a school with 800 pupils has an index number of 1.5, a school with 1,200 pupils has an index number of 1.33, and a school with 1,400 pupils has an index number of 1.285). A district with more than 1,500 pupils has a small schools index number of one.
- 23 **Class size definitions.** Defines "classroom teacher" as a teacher licensed to teach all subjects in kindergarten through grade six and whose duties are full-time regular classroom instruction. Defines "class size" to mean the districtwide ratio of full-time students to full-time teachers in kindergarten through grade three at each grade level.
- 24 **Instruction contact time.** Defines instructional contact time as instruction provided by a classroom teacher or teacher resident. Requires schools to maximize the classroom teacher to

student ratio in the subjects of math and reading.

- 25 **Class size revenue use.** Requires class size revenue to be used to reduce class sizes in kindergarten to grade three. Sets the target class size at 17 students to each classroom teacher.
- 26 **Additional revenue use.** Allows a district that has achieved the target ratios of 17:1 in kindergarten to grade three to reduce class size in grades four to six or to purchase instructional materials, services or technology.
- 27 **Annual report.** Requires school districts to report in the form and manner prescribed by the commissioner to the public on class sizes by December 1 of each year.
- 28 **General education tax rate.** Increases the general education dollar target by \$31 million from \$1,330,000,000 to \$1,361,000,000.
- 29 **Use of compensatory revenue.** Eliminates the catch-all phrase from the allowable uses of compensatory revenue. The catch-all phrase, clause (12), reads, "other methods to increase achievement, as needed."
- 30 **Building allocation.** Makes permanent the ability of a school district, upon approval of the commissioner of children, families, and learning, to allocate up to 5 percent of its compensatory revenue to school sites according to a plan adopted by the school board.
- 31 **Annual expenditure report.** Requires the annual report identifying compensatory revenue expenditures to include an analysis of the effects on the expenditures on student achievement levels.
- 32 **Referendum allowance adjustment.** Adjusts referendum revenue for school districts that were negatively affected by the conversion of referendum revenue authority.
- 33 **Referendum allowance.** Clarifies the definition of the referendum allowance, reflecting the conversion of all referendum authorities to an allowance per pupil unit, beginning in FY 2002. Sets the referendum allowance limit equal to the converted per pupil amounts plus any new authority approved at an election.
- 34 **Referendum allowance limit.** Increases the referendum allowance cap from 25 percent to 35 percent of the formula allowance for all districts. Increases the referendum authority for school districts with authority above the cap since 1994.
- 35 **Referendum equalization revenue.** Increases the portion of referendum revenue subject to equalization from \$415 per pupil in 2002 to \$515 per pupil in 2003 and to \$615 for 2004 and later.
- 36 **Referendum equalization levy.** Deletes obsolete language relating to referendums levied against net tax capacity. Beginning in FY 2002, all referendums are levied against referendum market value.
- 37 **Referendum revenue.** Deletes language related to referendum dates from the ballot questions subdivision. Moves the language to a separate subdivision on referendum dates.
- 38 **School referendum levy; market value.** Deletes obsolete language related to referendum levies.
- 39 **Referendum date.** Deletes obsolete language related to operating referendums held in conjunction with a bond election. Restates the language on the November election formerly contained in section 33.
- 40 **Data reporting.** Eliminates the requirement for school district to report "estimated" reallocations of general education revenue among buildings. Actual amounts initially allocated to each building and actual reallocations would still have to be reported.
- 41 **Retirement levies.** Deletes obsolete language relating to a Minneapolis retirement levy. The levy authority under these paragraphs has expired.

- 42 **Tax levy for judgments.** Clarifies the levy authority for school districts with unpaid judgments.
- 43 **School district records.** Updates school record retention language to reflect the roll-in of transportation funding into the general education program in FY 1997.
- 44 **General education aid; annual appropriation.** Deletes obsolete language identifying estimated savings in FY 1998 and 1999 due to the general education revenue adjustment for changes in teacher retirement employer contribution rates.
- 45 **Repealer; general education revenue.** Strikes language repealing current general education funding formulas effective June 30, 2004.
- 46 **Training and experience replacement revenue.** Permits appropriations for training and experience replacement aid revenue to be adjusted for changes in pupil units.
- 47 **Richfield; airport runway impact aid.** Delays the payment of airport runway impact pupil aid to the Richfield school district by one year.
- 48 **Sparsity correction revenue.** Permits appropriations for sparsity correction aid to be adjusted for changes in pupil units.
- 49 **Sparsity correction revenue appropriation.** Amends Laws 2000, Chapter 489, to permit appropriations for 2000 for sparsity correction revenue to be available until June 30, 2001.
- 50 **Special education cross-subsidy revenue.** Amends Laws 200, chapter 489, to permit appropriations for special education cross-subsidy revenue to be available until June 30, 2001.
- 51 **Legislative task force.** Establishes a legislative task force to examine Minnesota's school finance system. Specifies membership on the task force. Requires the task force to analyze the state's school finance system for clarity and simplicity. Requires the task force to present a report to the 2002 Legislature identifying statutes and rules that can be changed in order to make the school finance system more comprehensible.
- 52 **Tornado impact; Yellow Medicine East.** Creates additional declining pupil aid for the Yellow Medicine East school district.
- 53 **Supplemental revenue; Anoka.** Authorizes an additional \$1 million per year in supplemental revenue for the Anoka school district.
- 54 **Direction to commissioner.** Requires the commissioner of children, families, and learning to collect certain pupil transportation revenue.
- 55 **Appropriations.** See attached fiscal worksheet.
- 56 **Revisor instruction.** Requires the revisor of statutes to change all references to compensatory revenue to remedial revenue.
- 57 **Repealer.** (a) Repeals the following statutes July 1, 2001:
§ 123B.05. January 15, contract deadline.
§ 124D.07. Obsolete provision authorizing the commissioner to permit enrollment in a nonresident district.
§ 126C.01, subd. 10. Obsolete provision related to training & experience index calculations.
§ 126C.16, subd. 2. Obsolete provision for referendum and desegregation revenue conversion.
§ 126C.18. Obsolete provision for conversion of referendum authority from tax capacity to market value basis. The conversion process has been completed.
§ 126C.22. Obsolete provision regarding school district cooperation revenue, which was folded into the general education formula in FY 2001.
§ 126C.30 - 126C.36. Education Finance Act of 1992, which outlines the general structure of a new general education funding system to replace the current system beginning in FY 2005 .

§ 127A.44. Obsolete language listing aids to be reduced under the property tax shift.

(b) Repeals the following effective for revenue for FY 2002:

§ 126C.10, subd. 12 and 23. Obsolete language relating to the supplemental allowance reduction and the referendum offset adjustment.

(c) Repeals the following effective for taxes payable in 2002:

§ 126C.17, subd. 12. Obsolete calculation of referendum allowance reduction.

§ 126C.42, subd. 2 and 3. Obsolete language on 1983 and 1985 operating debt levies. No districts still qualify for these levies.

§ 126C.47. Obsolete language relating to judgment levy.

(d) Repeals the following effective for fiscal years 2004 and later:

§ 126C.10, subd. 3. Compensatory (remedial) revenue.

Article 2: Education Excellence

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1 Reading competency; grants.

Subd. 1. Literacy goals. Establishes children's ability to read by the end of third grade as a legislative goal.

Subd. 2. Definition. Defines "district" for the purposes of this section to mean a local school district, an intermediate district, or an education district.

Subd. 3. Grant recipients; criteria. Allows the commissioner to award up to 3 grants to assist children at charter schools and school sites to achieve reading competency by the end of third grade. Requires grant recipients to have:

- (1) expertise in early literacy and the teaching of reading or math;
- (2) research-based evidence that the recipients strategies have improved students' reading performance;
- (3) a measurement system for teachers that includes a reliable, easy to use, and minimally intrusive individual student test; and
- (4) an accountability structure.

Subd. 4. Grant requirements. (a) Obligates grant recipients to meet the requirements of this subdivision.

(b) Directs recipients to collaborate with the commissioner in informing school sites and charter schools about assistance available for reading competency. Directs the commissioner to give highest priority in awarding grants to school sites and charter schools showing greatest need based on annual progress reports.

(c) Requires grant recipients to assist at least 50 sites, at least 30 of which must have 25 percent or more enrolled K-3 students eligible for free or reduced price lunch.

(d) Directs grant recipients to consult with various preschool programs to ensure that preschool program staff possess skills that predict literacy.

(e) Requires grant recipients to reach an agreement with a site on the reading results a site will achieve over a 3 school year period and the assistance with reading competency the recipient will provide.

(f) Requires the agreement to include the time line for a baseline measurement for each student, the frequency with which individual student performance is measured, and the manner of reporting data to the site and district board.

(g) Requires the agreement to estimate the amount of grant funds the district will

provide to the site for site planning and collecting student performance data and the amount the site will contribute. Requires the agreement to indicate that if the district fails to comply with the agreement, the commissioner must award remaining site-designated funds to the site, which the site may use for contracting with a different reading vendor.

(h) Requires the agreement to define the site's responsibilities. Allows a district to discontinue its services to a site that fails to perform according to the agreement.

Subd. 5. Report. Requires grant recipients annually to report to the commissioner the results achieved at each site. Includes in the report:

- (1) demographic information about students at the site;
- (2) the service provided to the site;
- (3) student performance data for fall, winter, and spring, although not all sites may have fall performance data for the first year; and
- (4) the amount of grant funding expended at the site.

Subd. 6. Application process. Directs the commissioner to award one grant by 7/1/01 and the remaining grants by 10/1/01.

Makes this section effective 7/1/02.

2 **Program structure; training programs for teachers.** (a) States that the advanced placement and international baccalaureate programs are well-established academic programs for mature, academically-directed high school students. States that the programs provide academic rigor, and offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and an opportunity to compete academically on a global level. States that the programs allow students to leave high school with the academic skills and self-confidence to succeed in college.

(b) Declares that ongoing advanced placement/international baccalaureate-approved teacher training is critical to schools' educational success. Allows interested educators, in addition to advanced placement/international baccalaureate teachers, to participate in training programs. Allows the state to pay a portion of the tuition, room and board costs a teacher or other interested educators incurs in participating in a training program. Directs the commissioner to select teachers and other interested educators to participate in a training program. Allows teachers and other interested educators to participate in a training program paid by nonstate sources.

Makes this section effective 7/1/01.

3 **Involuntary career tracking prohibited.** Allows a school district to develop grade-level curricula and provide instruction on careers but prohibits the district from requiring curriculum instruction or employment-related activities that obligate students to involuntarily select a career or job training.

4 **Statewide testing.** (a) Prohibits all elementary and secondary students who take a statewide math test designed for students in grade 3, 4, 5, 6, 7 or 8 from using a calculator during the test. Directs the commissioner to:

- (1) ensure that all multiple choice and true/false test items have a single correct answer;
- (2) include fiction and nonfiction literature and other print sources in addition to mass media in test items measuring a student's reading comprehension;
- (3) ensure that all statewide tests measure students' academic knowledge and not students' values, attitudes and beliefs.

(f) Directs the commissioner to make available a student's test results to the student's school

district and the student's parent or guardian.

This section is effective immediately.

5 **School district system accountability and educational improvement plan.**

Subd. 1. Qualifying plan. Allows a school district to develop a system accountability and educational improvement plan. Requires the plan to establish comprehensive measures of school district, school site, teacher and individual student performance.

Subd. 2. District accountability. Requires a school board to approve a system accountability and educational improvement plan. Requires the plan to indicate the data and measures needed to improve educational performance within the school district, including baseline data, performance goals and benchmarks and related time lines. Requires a school district's performance goals to include student achievement goals and allows other goals including improved school attendance, student discipline, school safety or parent involvement, or enhancing the knowledge and skills of school staff. Requires the plan to describe the methods for developing, reviewing and implementing means to improve education performance at each school site.

Subd. 3. School site accountability. Requires each school site to develop a board-approved accountability and educational improvement plan that is aligned with the performance goals in the district plan. Allows a site plan to establish performance goals and benchmarks that exceed those in the district plan.

Subd. 4. Teacher accountability. Requires a district's accountability and educational improvement plan to identify the district plan to assess teacher performance. Requires the plan to include clearly defined, research-based teacher professional development standards that permit objective assessment, including classroom observation, consistent with the district's instructional goals. Requires the exclusive bargaining representative of the teachers and the school board to agree to the plan. Allows the plan to include:

- (1) teacher professional development standards that emphasize content;
- (2) staff development opportunities for teachers to attain professional development standards; or
- (3) standards and procedures for assessing teachers' professional practice.

Requires teacher professional development standards to be sufficiently rigorous to effect meaningful professional development and improvement.

Subd. 5. Student accountability. Requires a district's accountability and educational improvement plan to include comprehensive measures of student performance and a list of district assessment tools to determine student performance.

Makes this section immediately effective.

6 **Alternative teacher compensation; accountability and educational improvement.**

Subd. 1. Restructured system established. Establishes a restructured teacher compensation system to provide incentives for teachers to continuously improve their knowledge and skills, for school districts to successfully recruit and retain highly qualified teachers, and to support teachers' roles in improving students' educational achievement.

Subd. 2. Teachers professional pay ladder. (a) As a condition of funding under this section, requires a district to compensate all eligible probationary teachers according to the teacher professional pay ladder schedule instead of the existing step and lane salary schedule. Requires a district to include in the teacher professional pay ladder schedule the conditions needed to advance to each subsequent progression on the ladder. Requires the schedule and conditions to be developed in collaboration with the exclusive bargaining representative of the teachers and

approved by the school board. Requires the restructured teacher compensation system to accurately and adequately reflect teachers' level of content knowledge and general pedagogy, include professional standards of best practices, and promote professional growth and expertise. Requires the professional pay ladder to contain an evaluation mechanism at each progression that is aligned with teacher accountability provisions.

(b) Allows the restructured teacher compensation system to provide compensation increases to teachers who attain additional relevant knowledge and skills.

(c) Requires all teachers with fewer than three years of teaching experience who are newly hired in a district that implements a professional pay ladder to be placed on that ladder.

Subd. 3. Additional days for eligible probationary teacher induction and mentoring. (a) As a condition for implementing a restructured teacher compensation system, participating teachers, including all eligible probationary teachers, and school districts must agree to increase by at least 10 days per school year the number of days devoted to staff development activities. Requires the 10 additional days to be:

(1) the equivalent in hours of 10 school days based on the district's 1996-1997 school year calendar; and

(2) calculated in terms of the number of days that continuing contract or tenured teachers work.

Requires teachers and school districts to use the additional days to establish and implement a new teacher induction and mentoring program that provides continuous learning opportunities, ongoing orientation and sustained teacher support. Allows some additional days to be scheduled during the school year.

(b) Encourages teachers and school districts to use the resources of existing educational institutions and organizations to establish and implement the program.

(c) Allows teachers and school districts to extend the work year of nonparticipating teachers in order to provide induction and mentoring activities for peer review and assessment, and for professional development that aligns with the district's accountability system if the teachers and the school board agree to the circumstances under which to extend the work year of nonparticipating teachers.

Makes this section immediately effective.

7 **Alternative compensation aid.** Makes a school district that meets the conditions of section 5 eligible for alternative compensation aid. Makes alternative compensation aid for a qualifying school district equal to \$2,000 times the number of eligible probationary teachers teaching in the school district during the current school year plus \$500 times the number of nonprobationary teachers providing induction and mentoring activities for peer review and assessment during the current school year. Includes as eligible probationary teachers any nontenured licensed teacher or licensed teacher without a continuing contract who is working at least 60 percent of a full-time teacher's hours. Makes the aid available only after the school board and the exclusive bargaining representative of the teachers sign and submit to the commissioner a written statement that they have developed an alternative teacher compensation proposal based on the system accountability and educational improvement plan under section 1. Requires aid received under this section to be used for additional days to establish and implement a new teacher induction and mentoring program that provides continuous learning opportunities, ongoing orientation and sustained teacher support.

Makes this section effective 7/1/02.

8 **Student academic achievement levels.**

Subd. 1. Value added assessment. (a) Makes "value added assessment" the basis for defining adequate yearly progress and for determining student achievement levels, subject to the components in paragraphs (b) through (d).

(b) States that a value added assessment is a statistical system for assessing educational outcomes that relies on measures of student learning to estimate teacher, school and school district statistical distributions. States that the system uses available and appropriate data as input to explain differences in prior student attainment so that the impact of the teacher, school and school district on a student's educational progress is estimated on a constant student attainment basis. Declares that the impact that a teacher, school or school district has on a student's educational progress or lack of progress in making educational advancements or acquiring learning is the "effect" of the teacher, school and school district.

(c) States that the system includes mixed model methodologies that provide linear unbiased prediction for the effect of the teacher, school and school district on the student's educational progress. Requires the system to adequately provide these estimates for classrooms where a single teacher teaches multiple subjects to the same group of students, for team teaching arrangements, and for other teaching circumstances.

(d) Makes the metrics used to measure student learning linear scales that cover the entire range of subjects contained in a school's academic curriculum in order to minimize ceiling and floor effects. Requires a strong relationship between the metrics and the academic curriculum for the applicable grade level and subject.

Subd. 2. Student achievement levels. Requires state and local expectations regarding student achievement to be consistent with subdivision 1.

Makes this sections effective for the 2001-2002 school year and later.

9 **Pledge of allegiance.** (a) Requires public and charter schools to conduct a recitation of the pledge of allegiance at least weekly unless a majority of school board or charter school board members annually vote to waive the requirement. Requires the recitation to be conducted by each classroom teacher or over the school intercom system.

(b) Excuses without penalty teachers and students who object to reciting the pledge.

(c) Allows school boards and charter school boards that waive the recitation of the pledge under paragraph (a) to adopt a local or school policy on reciting the pledge.

Makes this section immediately effective.

10 **Instruction.** Requires school districts, as part of the fifth grade social studies curriculum, to provide instruction in flag etiquette unless a majority of school board members annually vote to waive the requirement.

Makes this section immediately effective and requires districts to begin the instruction by the 2003-2003 school year.

11 **Grounds for dismissal.** Expands the grounds for which a student may be dismissed from school under the pupil fair dismissal act. Allows a student to be dismissed for willful conduct that significantly, instead of materially and substantially, disrupts the ability of school personnel to perform their duties, or school sponsored extra curricular activities, or endangers persons, including school employees.

12 **Parent notification and meeting.** Requires a school district to make reasonable attempts to meet with a pupil and the pupil's parents before removing the pupil from school if the pupil has been removed from school more than ten days during the school year.

13 **Student discipline; reasonable force.** Allows a school principal as well as a teacher, in

exercising the person's lawful authority, to use reasonable force when necessary to discipline a student. Creates a defense against civil liability and criminal prosecution.

14 **Grounds for removal from class.** Includes as grounds for removing a student from class willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with students in a class or that endangers persons, including school employees.

15 **Comprehensive, scientifically based reading instruction.** Defines "comprehensive, scientifically based reading instruction" to include instruction and practice in phonemic awareness, phonics and other word-recognition skills, and guided oral reading for beginning readers, as well as extensive silent reading, vocabulary instruction, instruction in comprehension, and instruction that fosters understanding and higher-order thinking for readers of all ages and proficiency levels.

16 **License and rules.** (m) Directs the board of teaching to adopt rules requiring all teachers who renew their continuing license to receive reading preparation. The rules do not take effect until approved by law.

Makes this section effective for teachers who renew their teaching licenses in 2004 and later.

17 **Teacher and support personnel qualifications.** (b) Requires the board of teaching annually to report the following to the legislature:

the total number of teacher candidates taking the skills exam during the most recent school year;

the number of teacher candidates who passed the exam;

the number of teacher candidates who failed the exam;

the distribution of the scores of all the test takers;

the number of teacher candidates who failed the exam at least once before; and

the number of teacher candidates who failed the exam at least once before and passed.

(e) Requires the board of teaching annually to report to the legislature on the performance of teacher candidates on common core assessments of knowledge and skills during the most recent school year.

Makes this section effective for the 2001-2002 school year and later.

18 **Reading strategies.** (b) Directs colleges and universities that offer board-approved teacher preparation programs to require instruction in applying comprehensive, scientifically based reading instruction.

Makes this section effective for candidates for initial licensure in 2004 and later.

19 **Reading specialist.** Directs the board of teaching to adopt rules for licensing reading teachers by July 1, 2002.

20 **Staff development revenue.** (a) Requires districts to reserve at least one percent of basic revenue for teacher mentoring and induction programs, and at least one percent, instead of two percent, for in-service education related to staff development.

(d) Requires districts to use the reserved revenue for teacher mentoring and induction programs to serve teachers who have taught five or fewer years in the district. Describes teacher mentoring and induction activities. Makes this section effective for fiscal year 2002 and later.

21 **Best practices.** Defines best practices to mean research-based proven practices.

22 **Definitions.** Makes a technical change to include charter schools within the definition of "school" for purposes of requiring criminal background checks for teachers and other school staff.

- 23 **Conflict of interest.** (a) Prohibits a member of a charter school board of directors from serving as a member of the board of directors or as an employee or agent of or a contractor with an entity with whom the charter school contracts, directly or indirectly, for professional services, goods or facilities. Makes a contract that violates this prohibition voidable at the commissioner's option. Makes a member of a charter school board of directors who violates this prohibition individually liable to the charter school.
- (b) Allows an individual to serve as a board member if no conflict of interest exists.
- (c) Excepts from this prohibition standard compensation paid to a charter school teacher who also serves on the board.
- Makes this section effective for the 2001-2002 school year.
- 24 **Formation of a school.** (a) Binds a charter school organized and operated as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A to the provisions of the applicable chapter except as provided under the charter school law.
- (c) Requires charter school operators to incorporate as a cooperative under chapter 308A or as a nonprofit corporation under chapter 317A and to establish an initial board of directors composed of at least five members before entering into a contract or other agreement for professional or other services, goods or facilities. Requires teachers to be a majority of the members of the seven-member board of directors before the charter school begins its third year of operation unless the commissioner waives this requirement. Strikes language allowing a provisional board to operate.
- (e) Directs the state board for charter schools annually to provide timely financial management training to newly elected members of a charter school board of directors. Requires the training to address ways to:
- (1) maximize available revenue sources;
 - (2) establish and maintain auditable records;
 - (3) establish proper filing techniques;
 - (4) document formal charter school actions;
 - (5) manage and retain school and student records;
 - (6) comply with payroll recordkeeping requirements; and
 - (7) address other factors related to establishing and maintaining records on school operations.
- (c) Requires charter school operators to incorporate as a cooperative under chapter 308A or a nonprofit corporation under chapter 317A and to establish an initial board of directors composed of at least five members before entering into a contract or other agreement for professional or other services, goods, or facilities. Requires teachers to be a majority of the members on a seven-member board of directors before the charter school begins its third year of operation unless the commissioner waives this requirement.
- Makes this section effective for the 2001-2002 school year.
- 25 **Audit report.** Requires a charter school to submit an audit report to the commissioner by December 31 each year. Requires the charter school, with its auditor's assistance, to include with the report a copy of all agreements for corporate-management services and, if the provider is a nonprofit corporation, a copy of that provider's annual tax return must be filed with the commissioner by February 15. Requires a charter school to submit a written report to the commissioner addressing any material weaknesses indicated in the audit. Requires a charter school, upon request, to make available accounting records, minutes of meetings and financial statements.
- Makes this section effective for the 2001-2002 school year.

26 **Review and comment.** Allows a sponsor to monitor and evaluate the fiscal and student performance of a charter school and to assess the school for this service up to \$30 per student up to \$10,000 in a school's first, second, or third year of operation and up to \$10 per student up to \$3,500 in a fourth or subsequent year of a school's operation.

Makes this section effective 7/1/01.

27 **Excessive lease costs; recovery.** (a) Exempts unrelated parties and lessors organized under chapters 317A and 308A from the provisions of this subdivision.

(b) Defines related party, affiliate, close relative, person, and control for the purposes of this subdivision.

(c) Requires a charter school's lease of real property to state that the lease is subject to this subdivision.

(d) Prevents a lease from going into effect and lease payments being made until the commissioner or a party to the lease records or files a notice giving the commissioner a lien on the property. Requires the lien notice to meet applicable requirements for recording or filing. Requires the lessor or lessee to pay the recording or filing fee.

(e) Requires a lease to include a clause granting the commissioner a lien on the leased property and indicating that the lien notice is recorded or filed.

(f) Indicates that a lien granted under this subdivision secures the commissioner's rights under paragraph (g).

(g) Allows the commissioner to recover lease payment amounts from the lessor to the extent that the payments exceed fair market rental value of the real property as determined by the commissioner. Extends the commissioner's right of recovery to the property owner if the lessor is not the property owner and the lessor and the property owner are related parties.

(h) Makes the lien applicable only to the equity in the real property. Subordinates the lien to mortgagees and other lienholders except where the mortgagee or other lienholder is a related party.

(i) Makes the lien in this subdivision unenforceable against, and subordinate to, the interest of a good faith purchaser for value of the real property if certain conditions are met.

(j) Allows the commissioner at any time to record or file the lien notice of those parties who fail to record or file the lien notice.

(k) Directs the commissioner to provide to a lessor a release or partial release of the lien if the commissioner determines that the commissioner has no right of recovery. Makes the lessor responsible for filing and recording fees.

(l) Allows a commissioner action or decision to be appealed under chapter 14 governing the state's administrative procedures act.

(m) Allows a lien to be foreclosed.

Makes this section effective immediately and applicable to any charter school organized as of January 1, 2001, or thereafter.

28 **Building lease aid.** Directs the commissioner to review and either approve or deny a lease aid application based on:

(1) the reasonableness of the price;

(2) the appropriateness of the space;

(3) the extent to which the lease conforms to applicable state laws and rules; and

(4) the appropriateness of the lease given the school's space needs and financial circumstances.

Prohibits a charter school from using building lease aid for custodial, maintenance service,

utility, or other operating costs.

- 29 **Payment of aids to charter schools.** Predicates a charter school's state aid payments during its first three years of operation on timely quarterly filings of enrollment counts. Requires the enrollment report to show each student's start and end data (if any), and for any charter school offering a learning year program, the hours and times of learning year activities. Requires the DCFL to develop a web-based application for charter schools to use to file enrollment information. Allows a charter school that has been in operation for more than three years to submit enrollment data in the form and manner requested by the DCFL.
- 30 **Program established.** Allows a learning year pupil to attain or accelerate attainment of grade level or graduation requirements. Strikes language establishing residency requirements for participating pupils.
Makes this section immediately effective.
- 31 **Commissioner designation.** (a) Requires the record system for the learning year program to include specific information about the participating pupil and the program.
(b) Allows a participating pupil to continue to enroll in courses required for graduation until the pupil satisfies the graduation requirements or the student is 21, whichever comes first.
Makes this section immediately effective.
- 32 **Student planning.** Requires a school district to inform parents that participation in the learning year program is optional. Requires a continual learning plan to be developed at least annually and obligates each participant to sign and date the plan, which covers an entire fiscal year. Specifies the plan's contents.
- 33 **Revenue computation and reporting.** Requires average daily membership under the learning year program to be computed under the provision governing learning year pupil units. Requires the dates a pupil is promoted to be reported to the department.
- 33 **Program described.** Indicates that American Indian programs in public, nonsectarian nonpublic, community, tribal, and alternative schools, among other things, are designed to:
(1) support students' post-secondary preparation;
(2) support American Indian students' academic achievement;
(6) supplement and not supplant state and federal educational and cocurricular programs.
Allows program components to include, among other things, student support in the areas of academic achievement, retention and attendance and supplemental instruction in American Indian language, literature, history and culture. Allows school districts to contract for program components by establishing cooperative liaisons with tribal programs and American Indian social service agencies.
- 34 **Voluntary enrollment.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.
- 35 **Enrollment of other children; shared time enrollment.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.
- 36 **Location of programs.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs. Allows programs to operate on an extended day or extended year basis.
- 37 **Nonverbal courses and extracurricular activities.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.
- 38 **Persons eligible for employment.** Changes the name of the programs from American Indian

language and culture education programs to American Indian education programs.

39 **Teachers aides; community coordinators.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.

40 **Parent committee.** Strikes language and culture education programs from the list of American Indian school programs that must provide for maximum parent involvement.

41 **Grants; procedures.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs. Directs the commissioner to submit all grant proposals to the state advisory committee on American Indian education programs instead of the state advisory task force.

42 **Additional requirements.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.

43 **Records.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.

44 **Money from other sources.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.

45 **Exceptions.** Changes the name of the programs from American Indian language and culture education programs to American Indian education programs.

46 **Integration revenue.** Strikes the integration revenue amount for the Duluth school district. Amends the integration revenue formula. Authorizes integration revenue for a member district of a multi-district integration collaborative that files a plan with the commissioner, but is not contiguous to a racially isolated district.

47 **Alternative attendance programs.** Includes integration revenue in the offset of money that is transferred from a resident school district to a serving school district when a student's enrollment in a nonresident district contributes to desegregation or integration purposes.

48 **Learning year pupil units.** Makes computation of general education revenue for the learning year program consistent with the learning year program requirements. Requires a school district to develop a continual learning plan, consistent with program requirements.

49 **Structurally balanced school district contracts.** (a) Prohibits a school board from entering into an employee's employment contract that is not structurally balanced for the term of the contract and the following year, beginning on the July 1 following the date on which the contract terminates. Indicates that a contract or interest arbitration decision that violates this provision is not an unfair labor practice. Indicates that the statutory section governing the deadline and financial penalty for employees' contracts does not apply to a contract or interest arbitration decision that is not structurally balanced and approved by the requisite date.

(b) Requires a school board, before resolving to approve a proposed employees' employment contract, to determine whether the contract is structurally balanced for the required period. Requires the board to include in its resolution the findings and calculations to indicate the proposed contract is structurally balanced. Directs the board to make the findings and calculations available to school board members and members of the public at the meeting during which the board adopts its resolution and to the commissioner of finance as an attachment to the uniform collective bargaining agreement settlement document it files.

(c) Directs an arbitrator in an interest arbitration to determine whether the contract is structurally balanced for the required period and to prove the structural balance in the arbitrator's decision. Directs the school board to review the arbitrator's decision and, if the board determines the decision is not structurally balanced for the required period, to return the decision to the arbitrator explaining the board's determination. Requires the arbitrator to revise the arbitrator's decision until the board determines the decision is structurally balanced for the

required period. Directs the school board to include in its resolution the findings and calculations to indicate the interest arbitration decision is structurally balanced. Directs the board to make the findings and calculations available to school board members and members of the public at the meeting during which the board adopts its resolution and to the commissioner of finance as an attachment to the uniform collective bargaining agreement settlement document it files.

(d) Directs the school board, when determining whether a contract or interest arbitration decision is structurally balanced for the required period, to review the general fund revenue and expenditure projections for the required three-year period based on current laws.

(1) Requires revenue projections to be based on general education and other formulas.

(2) Requires revenue projections to be based on pupil unit projections.

(3) Requires expenditure projections to be based on current and projected employee contract costs over the required four-year period.

(4) Requires expenditure projections to be based on the anticipated staff seniority over the required three-year period and current teacher-to-student ratios. Requires the projections to include changes in contract steps and lanes resulting from teachers' increased seniority and increased education or training.

(5) Requires expenditure projections to include anticipated fringe benefit costs in each year.

(6) Requires expenditure projections to include anticipated staff retirements and newly hired employees. Includes as costs severance pay, accumulated sick leave, other leave, vacation pay and other related employee benefit costs for employees who retire or leave the district.

(7) Requires expenditure projections to include other anticipated non-employee-contract-related general fund expenditures for the required three-year period.

(e) Permits a school board to determine that an employees' employment contract is structurally balanced for the required three-year period if, consistent with paragraph (d) and other projections, the projected general fund expenditures for each of the three years will not exceed the projected general fund revenues for each of those years.

50 **Access to statewide tests and students' test results.**

Subd. 1. Test access. Requires the commissioner of children, families and learning to make available copies of the statewide basic skills tests and the Minnesota comprehensive assessments and students' test results.

Subd. 2. Access to basic skills tests. Beginning in February 2002, requires the commissioner, on the date on the results for the February statewide basic skills tests are released, to at the same time:

(1) make available to the public electronic or paper copies of those tests and accompanying answer sheets and mail to school districts paper copies of the tests and accompanying answer sheets; and

(2) make available to parents or guardians a copy of their students' answers to the test questions.

Requires the commissioner to release within a reasonable time to a student's parent or guardian a copy of the student's actual answer sheet upon receiving a written request from that student's parent and guardian. Makes the requirements of this paragraph apply only to those statewide basic skills tests administered in February of any year. Requires the commissioner to allow a parent or guardian to examine a statewide basic skills test

administered in April or July and the student's accompanying answer sheets upon receiving a written request from that student's parent and guardian.

Subd. 3. Access to Minnesota comprehensive assessments. Beginning in February 2002, directs the commissioner to release copies of Minnesota comprehensive assessments previously administered as follows:

- (1) in the 2000-2001 school year, the commissioner must make available to the public electronic or paper copies of the tests administered in March 1999 and accompanying answer sheets;
- (2) in the 2001-2002 school year, the commissioner must make available to the public electronic or paper copies of the tests administered in March 2000 and March 2001 and accompanying answer sheets; and
- (3) in the 2002-2003 school year, the commissioner must make available to the public electronic or paper copies of the tests administered in March 2002 and accompanying answer sheets.

Beginning in January 2003 and later, the commissioner, on the date on the results for the Minnesota comprehensive assessments are released, to at the same time:

- (1) make available to the public electronic or paper copies of those tests and accompanying answer sheets and mail to school districts paper copies of the tests and accompanying answer sheets; and
- (2) make available to parents or guardians a copy of their students' answers to the test questions.

Requires the commissioner to release within a reasonable time to a student's parent or guardian a copy of the student's actual answer sheet upon receiving a written request from that student's parent and guardian.

Subd. 4. Test access policy. If statewide elementary or secondary level tests other than the basic skills tests or the Minnesota comprehensive assessments are administered to elementary or secondary students, requires the commissioner to adopt and publish a policy to provide public or parental access to copies of such tests and to students' accompanying test results.

Makes this section immediately effective.

51 **Alternative models for deliver education; expanding the flexible learning year program.**

Subd. 1. Establishment; goal. Establishes a three-year pilot project to permit participating school districts and school sites approved by the commissioner of children, families and learning to use alternative models for delivering education by expanding the flexible learning year program. Indicates that the project is intended to explore effective alternatives for delivering education, with the goal of improving instruction and students' educational outcomes and opportunities and increasing the cost-effectiveness of educational programs.

Subd. 2. Eligibility; applications. Directs the commissioner to make application forms available to school districts and school sites interested in exploring effective alternative models for delivering instruction during a redefined flexible learning year. Requires interested school districts and school sites to have their application to participate in this program first approved by the local school board and a majority of teachers employed in the district or at the site, respectively, after a public hearing on the matter. Requires applications to be submitted to the commissioner by January 1, 2002. Requires the application to describe how the applicant proposes to realize the goal of this project, including what activities and procedures the applicant proposes to develop and implement and the specific changes in the learning year the applicant requires to accomplish those activities and procedures. Directs the commissioner to approve an unspecified number of applications before March 1, 2002.

Subd. 3. Exemptions. (a) Makes a participant in the pilot project exempt through the 2004-2005 school year from statutes governing the length of the school year and the school calendar. Makes statutory flexible learning provisions applicable except to the extent that the provisions of this program or the participant's learning year changes conflict with those statutory provisions.

(b) Allows a participant to adopt an alternative learning year calendar that suitably fulfills the educational needs of the participant's students. Requires the commissioner to provide participants with a formula for computing average daily membership so that all formulas based upon average daily membership are not affected as a result of participating in this pilot project.

Subd. 4. Technical assistance. Directs the commissioner, at the request of a participant, to provide technical assistance to the participant. Also requires the commissioner to assist participants in developing and implementing a valid and uniform procedure to evaluate the efficacy of their alternative learning year calendar.

Subd. 5. Evaluation; report. (a) Requires participants to complete a formative and summative evaluation of their experiences in delivering education under an alternative learning year calendar. Directs participants to focus the evaluation on the overall efficacy of the pilot project, including the cost-effectiveness of educational programs and the extent to which students' educational outcomes and opportunities improved. Directs participants to use their interim evaluations, with the commissioner's approval, to modify their project where appropriate.

(b) Requires participants to submit to the commissioner a progress report by September 1, 2004 and a final report by January 1, 2006, evaluating the cost-effectiveness of educational programs and the extent to which students' educational outcomes and opportunities improved. Directs the commissioner to compile the reports to present to the education committees by March 1, 2006. Directs the commissioner to recommend whether or not to continue or expand this pilot project.

Makes this section effective immediately.

52 **Federal funds.** Directs the commissioner to use federal funds available for reading-related purposes to fund reading competency grants.

53 **Integration levy.** Allows a district that qualifies for integration revenue to include in its levy for taxes payable in 2002 the amounts necessary for revenue for both fiscal years 2002 and 2003. Causes the full amount of integration levy for taxes payable in 2002 and attributable to fiscal year 2002, to be recognized in fiscal year 2002.

54 **Schools' academic and financial performance evaluation; independent contractor.** (a) Directs the commissioner of children, families and learning to contract with an independent school evaluation services contractor to evaluate and report on the academic and financial performance of Minnesota school districts using six core categories of analysis:

(1) school district expenditures;

(2) students' performance outcomes based on multiple indicia including students' test scores, attendance rates, dropout rates and graduation rates;

(3) return on resources to determine the extent to which student outcomes improve commensurate with increases in district spending;

(4) school district finances, taxes and debt to establish the context for analyzing the district's return on resources under clause (3);

(5) students' learning environment to establish the context for analyzing the district's return on resources under clause (3); and

(6) school district demographics to establish the socioeconomic context for analyzing the district's return on resources under clause (3).

(b) Directs the contractor to use the six core categories of analysis to:

(1) identify allocations of baseline and incremental school district spending;

(2) connect student achievement with expenditure patterns;

(3) track school district financial health;

(4) observe school district debt and capital spending levels; and

(5) measure the return on a school district's educational resources.

(c) Directs the contractor to evaluate and report on the academic and financial performance of all school districts.

(d) Requires the contractor complete its written report and submit it to the commissioner within 360 days of the date on which the contract is signed. Directs the commissioner to immediately make the report available to state and local elected officials, members of the public, educators, parents and other interested individuals. Requires the commissioner, upon receiving an individual's request, to make available all draft reports prepared by the contractor, consistent with Minnesota Statutes, chapter 13, governing government data practices.

55 **Technical assistance.** (a) Directs the department of children, families and learning, at a participant's request, to assist teachers and school districts in designing the teacher professional development standards and training interested parties in assessing whether and at what level teachers are attaining the standards.

(b) Encourages teachers and school districts to seek assistance from education districts, education cooperatives, and other education organizations in designing teacher professional development standards and training teachers and administrators in assessing whether and at what level teachers are attaining the standards.

Makes this section immediately effective.

56 **Participation in athletic activities; Minnesota state high school league study.** Directs the Minnesota state high school league to prepare a written report by 2/15/02 for the education committees indicating the interest of charter school students in participating in athletic activities available in the students' resident district. Specifies report components. Requires the league to pay the costs of the report.

57 **Charter school contracts temporarily permitted.** Allows a charter school organized as of the 2000-2001 school year to enter into a contract of up to \$2,000 annually with a nonteacher board member until June 30, 2003, when the contract must expire.

58 **Science licensure.** Directs the board of teaching to issue a teaching license to an applicant who qualifies to teach general science to students in grades 5 to 8 or who qualifies to teach a science specialty in grades 9 to 12 if the applicant satisfies other licensure requirements.

59 **Appropriations.** See attached fiscal sheet.

60 **Repealer.** (a) Repeals the Indian post-secondary preparation grants, effective 7/1/01.

(b) Repeals the learn and earn graduation achievement program, effective 7/1/02.

(c) Repeals the learning year program and the high school diploma warranty, effective immediately.

Article 3: Special Programs

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1 **Technology and record keeping.** (a) Directs the commissioner to ensure the availability and maintain the ongoing operation of a uniform system for school districts to report profile of

learning data at the state and local levels. Requires the commissioner to report to the legislature on an ongoing basis on classroom technology needs.

(b) Requires the commissioner to annually report on record keeping practices under the profile of learning until the requirements under paragraph (a) are fully met.

Makes this section immediately effective.

2 **Suspension.** Precludes school administrators from obligating a parent in a readmission plan to provide sympathomimetic medication to the parent's child as a condition of the child being readmitted to school after being suspended. This section is effective immediately.

3 **Special education information.** Directs colleges and universities with approved teacher preparation programs to include in the programs information on special education laws, teaching strategies, and positive behavior interventions. This section is effective for the 2002-2003 school year.

4 **American sign language/English interpreters.**

Subd. 1. Requirements for American sign language/English interpreters. (d) Allows a person holding a two-year provisional license to apply to the commissioner for a time-limited extension. Directs the commissioner, in consultation with the commission serving deaf and hard-of-hearing people, to grant the extension based upon letters of support, records about the person's education, training, experience and progress in obtaining certification, and an explanation as to why the extension is needed. Makes complying with a plan for obtaining certification a condition of

receiving an extension. Directs a committee composed of the director of the Minnesota resource center serving deaf and hard of hearing, or the director's designee, a representative of the Minnesota association of deaf citizens, a representative of the Minnesota registry of interpreters of the deaf, and other appropriate persons selected by the commissioner to develop the plan and time line for the person receiving the extension.

Subd. 2. Oral or cued speech transliterators. (b) Allows a person holding a two-year provisional license to apply to the commissioner for a time-limited extension. Directs the commissioner, in consultation with the commission serving deaf and hard-of-hearing people, to grant the extension based upon letters of support, records about the person's education, training, experience and progress in obtaining certification, and an explanation as to why the extension is needed. Makes complying with a plan for obtaining certification a condition of receiving an extension. Directs a committee composed of the director of the Minnesota resource center serving deaf and hard of hearing, or the director's designee, a representative of the Minnesota association of deaf citizens, a representative of the Minnesota registry of interpreters of the deaf, and other appropriate persons selected by the commissioner to develop the plan and time line for the person receiving the extension.

Subd. 4. Reimbursement. Allows a school district to be reimbursed for the services of a person holding a provisional certificate with a time-limited extension.

Makes this section effective for the 2001-2002 school year.

5 **Staff development revenue.** Includes pre-service and in-service education for special education professionals and paraprofessionals among the list of activities for which staff development revenue is available.

6 **School district LEP revenue.** (d) Causes a pupil to cease generating state LEP aid in the year following the school year in which the pupil attains the state cut-off score on a commissioner-provided assessment that measures the pupil's emerging academic English.

7 **State interagency committee.** Increases from 18 to 19 the number of state interagency

committee members.

- 8 **School district obligations.** Requires an individual education plan team, when developing a student's individual education plan, to consider positive behavioral interventions, strategies, and supports that address behavior for children with attention deficit disorder (ADD) or attention deficit hyperactivity disorder (ADHD). This section is effective immediately.
- 9 **Initial action; parent consent.** (b) Permits a parent, after consulting with health care, education or other professional providers, to agree or disagree to provide the parent's child with sympathomimetic medications unless the section governing emergency treatment applies. This section is effective immediately.
- 10 **Agreement between districts to provide special instruction and services.** Strikes language affecting the process for reimbursing a district that agrees to provide special instruction and services.
- 11 **Part C state plan.** Updates a federal law reference.
- 12 **Definitions.** Includes cultural liaisons and special education paraprofessionals or clericals providing support for teachers and students in the definition of essential personnel for purposes of special education revenue.
- 13 **Special education base revenue.** Indicates the procedure for deducting certain revenue when calculating the contracted services portion of special education base revenue.
- 14 **Truancy programs and services.** (b) Declares that a parent's refusal to provide the parent's child with sympathomimetic medications does not constitute educational neglect. This section is effective immediately.
- 15 **Presumptions regarding truancy or educational neglect.** (b) Declares that a parent's refusal to provide the parent's child with sympathomimetic medications does not constitute educational neglect. This section is effective immediately.
- 16 **Definitions.** Indicates that a parent's refusal to provide the parent's child with sympathomimetic medications is not part of the definition of educational neglect under the law governing maltreatment of minors.
- 17 **Special education cross-subsidy revenue.** (c) Indicates that fiscal year 2001 revenue is paid entirely in fiscal year 2001 based on estimated data. Directs the department of children, families, and learning by 1/31/02 to recalculate the revenue using actual data and to adjust the general education aid paid to school districts for fiscal year 2002 by the amount of the difference between the estimated and actual revenue.
- 18 **Interagency autism coordinating committee.** Requires the commissioner of children, families, and learning to establish an interagency committee to coordinate state efforts to serve children with autism. Specifies membership of the committee and requires the committee to recommend to the relevant legislative committees, by December 1, 2001, a plan for improving efforts at early assessment and identification of autism in young children. Specifies issues that the plan must consider.
- 19 **Appropriations.** See attached fiscal sheet.

Article 4: Facilities and Technology

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- 1 **Enforcement; bleacher safety.** Permits a nonpublic school to designate its person responsible for buildings and grounds as the one who may certify compliance with bleacher safety requirements. This same authority was given to public school districts in Laws 2000, Chapter 417, Section 2 (M.S. 16B.616, Subdivision 4).
- 2 **Debt service revenue; definitions.** Defines revenue eligible for second tier debt equalization as

those projects that have been approved after January 1, 2000.

- 3 **Eligibility.** Eliminates an exception to a cross reference. (Eligibility for debt service equalization aid keys off the criteria for the maximum effort capital loan program. This exception allows debt service equalization aid for districts with less than 80 pupils per grade.)
- 4 **Debt service equalization revenue.** Creates a second tier of debt service equalization aid. Requires the first 12 percent of ANTC to be paid locally. Equalizes the portion of debt service between 12 percent and 20 percent of ANTC at \$4,000. Equalizes all new debt service over 20 percent of ANTC at \$10,000.
- 5 **Equalized debt service levy.** Keeps the equalizing factor for the first tier of debt service revenue at \$4,000 and sets the equalizing factor for the second tier of debt service revenue at \$10,000 per pupil.
- 6 **Debt service aid appropriation.** Changes the fixed, standing, appropriation for debt service equalization aid to an open and standing appropriation.
- 7 **Health and safety revenue.** Clarifies provisions relating to health and safety revenue. Specifies that health and safety expenditures funded with bonds or other sources are not eligible for health and safety revenue. Excludes expenditures funded with certain bonds, certificates of indebtedness or capital notes, levies, and other federal, state, or local revenues from calculations that determine a district's revenue.
- 8 **Uses of health and safety revenue.** Specifies that health and safety revenue cannot be used to acquire school buildings or property through a deferred payments agreement.
- 9 **Review and comment; consultation.** Provides that school districts do not have to consult with the commissioner of CFL before developing plans unless the estimated costs of the project exceed \$250,000, instead of \$100,000.
- 10 **Review and comment; plan submittal.** Clarifies the materials that must be submitted for review and comment.
- 11 **Review and comment.** Requires the commissioner to perform a review and comment on any school facility project with costs in excess of \$500,000 (current law is \$400,000).
- 12 **Information required.** Clarifies the information that is required to be submitted as a part of the review and comment.
- 13 **Maximum effort debt service levy.** Sets the maximum effort for capital loans granted after January 1, 2001 at 30 percent of adjusted net tax capacity.
- 14 **Capital loan eligibility.** Limits eligibility for a maximum effort loan to a school district with a net debt service tax rate of 30 percent or greater.
- 15 **District request for review and comment.** Eliminates the requirement that the proposed facility serve at least 80 pupils per grade. Replaces the requirement for growing enrollment with a requirement that the district have adequate funds in its general operating budget to support a quality education for its students over the next five years. Adds requirements that the district proposal includes a comprehensive technology plan and that the performance of the students indicates that the district is providing a quality educational program for the students it serves.
- 16 **Loan amount limits.** Changes the amount of the maximum effort capital loan from the difference between the district's project cost and 363 percent of ANTC to the difference between the project cost and 450 percent of ANTC.
- 17 **Contract.** Requires that project meet or exceed the standards of the state building code.
- 18 **Bond sale limitations.** Limits a loan recipient's local bond sales to a period of not more than 20 years after receipts of a new maximum effort capital loan.
- 19 **Intermediate school district No. 287; referendum.** Authorizes intermediate school district No.

287 to sell and issue up to \$8 million in bonds for school building projects upon approval of each member school district's school board after approval at an election by a majority of the voters of its member districts. Allows the intermediate school district to apportion the annual debt service amounts back to the member school districts.

20 **Intermediate school district No. 916; referendum.** Authorizes intermediate school district No. 916 to sell and issue up to \$8 million of bonds for school building projects upon approval of each member school district's school board after approval at an election by a majority of the voters of its member districts. Allows the intermediate school district to apportion the annual debt service amounts back to the member school districts.

21 **Intermediate school district No. 917; referendum.** Authorizes intermediate school district No. 917 to sell and issue up to \$8 million of bonds for school building projects upon approval of each member school district's school board after approval at an election by a majority of the voters of its member districts. Allows the intermediate school district to apportion the annual debt service amounts back to the member school districts.

22 **School districts.** Changes the school district net debt limit from 10 percent of market value to 15 percent of market value.

23 **One-time deferred maintenance.** Authorizes the DCFL to adjust each district's general education aid by the amounts necessary to correct each district's one-time deferred maintenance aid for fiscal year 2001 for any changes between the district's actual pupils for that year and the estimated number of pupils used to compute that aid during that year.

24 **Facilities needs.** Allows a grant of \$100,000 to independent school district Nos. 411, Balaton; 402, Hendricks; 403, Ivanhoe; 404, Lake Benton; 418, Russell; 584, Ruthton; and 409, Tyler; to carry forward into fiscal year 2002. Broadens the use of the grant so that the districts may consider a variety of facilities options in addition to seeking a cooperative secondary facilities grant.

25 **Restoration of Disabled Access**

Subd. 1. Pine City. Grants Pine City authority to levy its remaining disabled access levy authority over five or fewer years.

Subd. 2. Southland. Authorizes independent school district No. 500, Southland, to levy up to \$66,000 over 5 years for disabled access projects.

26 **Intermediate districts; levy without voter approval.** Authorizes intermediate school district, No. 916, to sell and issue up to \$1,500,000 of general obligation bonds for facilities purposes without voter approval.

Authorizes intermediate school district No. 917, to sell and issue up to \$4,000,000 of general obligation bonds without voter approval for facilities purposes.

27 **High-performance environmentally sustainable school facilities.**

Subd. 1. Technical assistance. Requires the DCFL to provide technical assistance to a school district interested in providing environmentally sustainable facilities.

Subd. 2. Definition. Defines "high-performance environmentally sustainable school projects" and lists the goals of these projects.

28 **Appropriations.** See attached fiscal worksheet.

29 **Repealer.** Repeals the following effective July 1, 2001:

§ 123B.71, subdivision 3, indoor air quality, commissioner's role;

§ 123B.71, subdivision 10, indoor air quality;

§ 136D.281, subdivision 8, intermediate 287 bonding prohibition;

§ 136D.741, subdivision 8, intermediate 916 bonding prohibition;
§ 136D.88, subdivision 8, intermediate 917 bonding prohibition; and
§ 136D.94, intermediate district refunding bonds.

Article 5: Nutrition; School Accounting; and Other Programs

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- 1 **Reserved revenue.** (a) Authorizes a school board to establish reserve accounts in the general fund. Allows a district to deposit revenue in the reserved accounts and requires that any revenue in a reserve account be used only for the purposes specified by the board for that reserve account.
- (b) Requires a reserve account for secondary vocational programming. Requires a district to deposit up to the amount of its fiscal year 2001 secondary vocational revenue in the reserve account.
- 2 **Commissioner's authorization.** Eliminates the commissioner's current exclusion from being able to authorize a fund transfer from the debt redemption fund.
- 3 **Fast break to learning breakfast program.**
- Subd. 1. Eligibility.** Directs the commissioner first to fund the 41 targeted breakfast program grant recipients and then public or nonpublic elementary schools that participate in federal meals programs where at least 33 percent of the student lunches served during the second preceding school year were provided at a free or reduced price. Prohibits schools from charging students' households for the meals. Directs schools to encourage children to eat breakfast at home or school and to eliminate barriers to students' participation at school.
- Subd. 2. Program.** Indicates that this program enables schools participating in the federal meals programs to cover school breakfast costs without charging students' households.
- Subd. 3. Program reimbursement.** Uses state funds to reimburse schools for the difference between the per meal federal rate of reimbursement and the per meal state average cost. Denies reimbursement to schools where the federal rate of reimbursement is equal to or higher than the state average per meal cost. Requires schools to use the funds to provide students with a daily breakfast while school is in session.
- 4 **Commodity donated food revolving fund.** Establishes a revolving fund for depositing cash received for commodity donated foods that were lost, damaged, recalled or diverted for processing. Directs the state to use the funds to issue payments for those commodity donated foods and related costs.
- 5 **Payment percentage for certain aids.** Strikes school lunch aid under section 124D.111 from the list of items for which 100 percent of aid for the current fiscal year must be paid.
- 6 **State nutrition programs.** Directs the state to pay 100 percent of the aid for the current fiscal year for school breakfast, lunch, and milk programs and 90 percent of the aid for the current fiscal year for the fast break to learning breakfast program based on monthly vouchers showing meals and milk served. Requires the remaining 10 percent for the fast break to learning breakfast program to be paid by 10/30 of the following fiscal year.
- 7 **Irrevocability.** Strictly defines an excess in the debt redemption fund. Sets this amount as any balance in excess of the amounts necessary for the payment of bondholders during the prior and current school year and including a cushion of 5% for payment of the subsequent year's debt service levy. Requires the commissioner of children, families, and learning to determine and certify the amount of the excess for each school district. Authorizes a school district with a certified excess in the debt redemption fund to request that the commissioner authorize a transfer of the excess to the operating capital account in the general fund.

8

Fund transfers.

Subd. 1. LaPorte. Authorizes independent school district No. 306, LaPorte, to transfer up to \$141,000 from its bus purchase account to the capital expenditure account in the general fund.

Subd. 2. Cleveland. Authorizes independent school district No. 391, Cleveland, to transfer up to \$107,000 from its reserved operating capital account in its general fund to the undesignated balance in its general fund.

Subd. 3. Lewiston. Authorizes independent school district No. 857, Lewiston, to transfer up to \$175,000 per year (for up to ten years) from its reserved for capital account in the general fund to the debt service fund. Requires debt service equalization aid to be calculated prior to the addition of the transferred funds.

Subd. 4. Russell. Authorizes independent school district No. 418, Russell, to transfer up to \$160,000 from its reserved for capital account in its general fund without to the undesignated general fund balance.

Subd. 5. Mountain Lake. Authorizes independent school district No. 173, Mountain Lake, to transfer up to \$300,000 from its reserved capital accounts in its general fund to the undesignated balance in its general fund.

Subd. 6. Isle. Authorizes independent school district No. 473, Isle, to permanently transfer up to \$175,000 from its reserved account for disability access to its undesignated general fund balance. Requires the district to demonstrate to the commissioner's satisfaction that school buildings are accessible to students or employees with disabilities prior to making the fund transfer.

9

Fund transfers: debt redemption fund.

Subd. 1. Elgin-Millville. Authorizes independent school district No. 806, Elgin-Millville, to transfer up to \$100,000 from its debt redemption fund to its reserved operating capital account in the general fund without making a levy reduction.

Subd. 2. Pine City. Authorizes independent school district No. 578, Pine City, to transfer up to \$200,000 from its debt redemption fund to its reserved for capital account in its general fund without making a levy reduction. Requires the revenue that is transferred to be used to purchase a facility for the area learning center.

Subd. 3. Rocori. Authorizes independent school district No. 750, Rocori (Rockville-Cold Spring-Richmond), to permanently transfer up to \$325,000 from its debt redemption fund to its capital account in the general fund without making a levy reduction.

Subd. 4. Tri-County. Authorizes independent school district No. 2358, Tri-County Schools, to permanently transfer up to \$120,000 from its debt redemption fund to the operating capital account in its general fund without making a levy reduction.

Subd. 5. Watertown-Mayer. Authorizes independent school district No. 111, Watertown-Mayer, to transfer up to \$350,000 from its debt redemption fund to its general fund without making a levy reduction.

Subd. 6. Holdingford. Authorizes independent school district No. 738, Holdingford, to transfer up to \$200,000 from its debt redemption fund to the general fund without making a levy reduction.

Subd. 7. Royalton. Authorizes independent school district No. 485, Royalton, to transfer up to \$64,000 from its debt redemption fund to its reserved for capital account in its general fund without making a levy reduction.

Subd. 8. Glencoe-Silver Lake. Authorizes independent school district No. 116, Pillager, to transfer up to \$60,000 from its debt redemption fund to its general fund without making a levy

reduction.

Subd. 9. Pillager. Authorizes independent school district No. 116, Pillager, to transfer up to \$60,000 from its debt redemption fund to the reserved for operating account in the general fund.

10 **Operating capital account deficit; Austin.** Authorizes independent school district No. 492, Austin, to carry a deficit in its operating capital account in the general fund for up to ten years. Requires the district to deposit any contributions its receives for the Westcott Field renovation project into the operating capital account.

11 **Appropriations.** See attached fiscal worksheet.

12 **Repealer.** Repeals the following:

§ 124D.1155, fast break to learning grants.

Article 6: Agency Provisions

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1 **State board of education.** Defines "state board of education" and "state board" to mean to mean the state board of education established in statute to supervise education agencies and other education-related matters. This section is effective 1/1/02.

2 **Licensure rules.** Indicates that the commissioner does not make rules relating to licensure of school administrators.

3 **Teacher rule variances; commissioner.** Allows the commissioner to grant a variance to rules governing licensure of school administrators only upon agreement of the board of educational administration.

4 **Authority to license.** Authorizes the board of educational administration to license supervisory personnel other than athletic coaches.

5 **Expiration and renewal.** (a) Changes references from the commissioner of the department of children, families and learning to the board of educational administration in the provision governing the renewing of the licenses of supervisory personnel. Directs the board of teaching to establish requirements for renewing the licenses of athletic coaches.

6 **Definitions.**

Subd. 1. Scope. Defines the terms used in this act.

Subd. 2. Board. Defines "board" to mean the board of educational administration.

Subd. 3. Community education director. Defines "community education director" to mean a person employed as a community education director who performs administrative and supervisory duties related to community education.

Subd. 4. Principal. Defines "principal" to mean an elementary, secondary or K-12 principal or assistant principal who devotes more than 50 percent of the person's time to administrative or supervisory duties.

Subd. 5. School administrators. Defines "school administrators" to mean superintendents, principals, special education directors, community education directors and vocational administrators.

Subd. 6. Special education director. Defines "special education director" to mean a person employed as a special education director or assistant director who devotes time to administrative or supervisory duties for special instruction and services for children with disabilities.

Subd. 7. Superintendent. Defines "superintendent" to mean a school administrator employed as a superintendent or assistant superintendent.

Subd. 8. Vocational administrator. Defines "vocational administrator" to mean a person who devotes time to administrative or supervisory duties for vocational education.

7 **Board of educational administration.**

Subd. 1. Appointment of members; eligibility. Establishes a seven-member governor-appointed board of educational administration consisting of an elementary school principal, a secondary school principal, a school superintendent, a classroom teacher, a community education director or a special education director, a member of the public, and one higher education representative, who must be a faculty member preparing school administrators.

Subd. 2. Terms; compensation; removal. Causes membership terms, payment of expenses, removal of members and filling of membership vacancies to be governed by the statutory section governing licensing boards except that members' terms expire July 31. Requires the terms of the initial board members to be determined by lot: one member each has a term expire 8/1/02 and 8/1/03, respectively; two members have terms expire 8/1/04; and three members have terms expire 8/1/05. Precludes members from receiving daily payment for serving on the board. Prohibits the employer of a board member from reducing the board member's compensation for the board member's absence from employment while engaged in board business. Allows a member to be appointed to the board for two terms.

Subd. 3. Vacant position. Declares vacant the position of a member who leaves Minnesota or whose employment status changes.

Subd. 4. Administration. Establishes provisions governing staff, administrative services, office space, the review and processing of complaints, the setting of fees, the selection and duties of the board's executive secretary, FY and reporting requirements and other board operations.

8 **Meetings.**

Subd. 1. Meetings. Causes the board to meet regularly at times and places the board determines. Directs the board to elect officers. Causes meetings to be called by the chair or at the written request of three board members.

Subd. 2. Executive secretary. Permits the board to hire an executive secretary in the unclassified service and other staff or to arrange to share a director and staff with the board of teaching.

9 **Duties of board of educational administration.**

Subd. 1. Licensing. Directs the board to adopt licensure rules and license school administrators. Other than rules transferred under section 5, the board may not adopt or amend rules until the rules are approved by law. Requires the licensure rules to include persons who successfully complete alternative preparation programs. Allows the board to enter into agreements with the board of teaching regarding multiple licensure matters.

Subd. 2. Preparation programs. Directs the board to review and approve preparation programs and alternative preparation programs for school administrators.

Subd. 3. Rules for continuing education requirements. Directs the board to adopt rules for continuing education requirements that encourage school administrator to continuously improve and acquire new and relevant skills.

Subd. 4. Code of ethics. Directs the board to adopt by rule a code of ethics covering standards of professional practice and to advise school administrators in interpreting the code of ethics.

Subd. 5. Commissioner's representative to comment on proposed rule. Requires a representative of the commissioner to comment on the cost and educational implications of a proposed rule before the board adopts a rule submitted to public hearing.

Subd. 6. Register of persons licensed. Requires the board's executive director to keep a record of board proceedings and a register of licensed school administrators, which must show licensees' name, address, license number and license renewal. Requires the board to annually

compile and transmit to the board a list of licensed school administrators, which must be available for inspection during office business hours.

Subd. 7. Commissioner's assistance; board money. Directs the commissioner to provide the board with material and assistance needed to transact board business. Directs the board to pay all money it receives into the state treasury. Pays for the board's administrative expenses through board appropriations.

- 10 **Mandatory reporting.** Requires school boards to report to the board of educational administration when an administrator is discharged or resigns after a charge is filed. Requires the board of educational administration to consider taking action to suspend or revoke an administrator's license after receiving a stipulation from the administrator or a recommendation from an administrative law judge that disciplinary action be taken.
- 11 **Teachers' and administrators' licenses; fees.** Requires applicants seeking the issuance, renewal or extension of a school administrator's license to include with the application to the board of educational administration a processing fee in the same amount as that set by the board of teaching.
- 12 **Purposes.** Expands the list for purposes for which a charter school is established to include:
(7) test new, more accountable, results-based oversight and school accountability;
(8) focus state oversight on sponsors' role; or
(9) encourage school boards to make full use of charter school opportunities.
- 13 **State board for charter schools.** (a) Requires the state board for charter schools to administer charter school laws. Requires the board to:
(1) perform the state role in sponsoring charter schools;
(2) encourage innovative schools;
(3) lead and support sponsors to increase innovation, effectiveness, accountability, and fiscal soundness of charter schools; and
(4) administer state and federal charter school start-up aid.
Allows the board to establish advisory groups.
(b) Establishes a seven-member board appointed by the governor with the senate's advice and consent. Requires board members to be interested in or experienced with charter schools. Requires board members to be appointed to staggered six-year terms that begin on August 1. Requires initial board member terms to be determined as follows: one member's term expires 8/1/04; two members' terms expire 8/1/05; two members' terms expire 8/1/06; and two members' terms expire 8/1/07.
(c) Requires the governor to appoint the initial board chair and directs board members to elect successor chairs. Requires the board chair to serve a two-year term.
(d) Makes board membership terms, compensation, removal of members, and filling of vacancies generally subject to statutory provisions governing public boards.
(e) Directs the board to appoint an executive director in the unclassified service and permits the appointment of other staff.
- 14 **Sponsor.** Allows the state board for charter schools to sponsor a charter school.
- 15 **Formation of school.** (a) Directs the state board for charter schools, instead of the commissioner, to approve charter schools and sponsor charter schools where a local school board elects not to sponsor the school and the state board for charter schools authorizes the school.
(b) Directs a sponsor to file an affidavit of intent with the state board for charter schools, instead

of the commissioner. Requires the state board for charter schools, instead of the commissioner, to approve or disapprove a sponsor's proposed authorization. Indicates that failing to obtain the approval of the state board for charter schools, instead of the commissioner, precludes a sponsor from authorizing the charter school.

(c) Allows the state board for charter schools, instead of the commissioner, to waive the requirement that licensed teachers be a majority of the members of a charter school board of directors.

- 16 **Contract.** Requires a sponsor's authorization to be completed within 90 days of when the state board for charter schools, instead of the commissioner, approves the sponsor's proposed authorization.
- 17 **State and local requirements.** (b) Allows the sponsoring school board to appeal to the state board for charter schools, instead of the commissioner, when a local school board denies a request from a charter school to locate within its boundaries. Requires the state board for charter schools, instead of the commissioner, to sponsor a school that it authorizes under this provision. (i) Allows the state board for charter schools and the department of children, families, and learning to conduct financial, program or compliance audits.
- 18 **Pupil performance.** Requires a charter school to meet the educational outcomes adopted by the commissioner of children, families, and learning.
- 19 **Annual public reports.** Requires a charter school to report required information at least annually to its sponsor and the state board for charter schools.
- 20 **Review and comment.** Directs the state board for charter schools, instead of the department, to review and comment on a sponsor's evaluation of the performance of a charter school as a condition of renewing the charter school contract. Directs the sponsor to report the information to the state board for charter schools, instead of the commissioner. Directs the state board for charter schools, instead of the commissioner, to report to the legislature trends or suggestions based on the evaluation of charter school contracts. Requires the state board for charter schools annually to report to the governor and the legislature on the charter schools formed and operated.
- 21 **Disseminate information.** Requires charter school sponsors and operators and the state board for charter schools, instead of the department of children, families, and learning, to disseminate public information on how to form and operate a charter school and how to use charter school offerings.
- 22 **Causes for nonrenewal or termination of charter school contract.** (a) Allows the board of directors of a charter school to appeal to the state board for charter schools, instead of the commissioner, a decision by a local school board sponsor to not renew a charter school contract. (b) Requires a charter school to be dissolved when its contract is terminated or not renewed unless the state board for charter schools, instead of the commissioner, approves the decision of a different eligible sponsor to authorize the charter school. (c) Allows the state board for charter schools or the commissioner to terminate a sponsor's relationship with a charter school if the charter school has a history of financial mismanagement or repeated violations of law.
- 23 **Extent of specific legal authority.** Makes the state board for charter schools, instead of the commissioner, immune from civil or criminal liability with respect to all activities related to a charter school it approves or sponsors.
- 24 **State board of education.**
Subd. 1. State board established; appointments; meetings; conflict of interest;

administrative costs. (a) Maintains the department of children, families and learning under the direction of the state board of education, which is composed of 10 resident citizens, at least one of whom must reside in each congressional district, the chancellor of the Minnesota state colleges and universities or a person appointed by the chancellor, and the president of the University of Minnesota or a person appointed by the president.

(b) Includes among the 10 citizen board one at-large member who is enrolled full time in a Minnesota public high school at the time of appointment and one at-large member who previously served as an elected school board member.

(c) Directs the governor to appoint the resident citizens with the advice and consent of the senate. Directs the state board annually to elect one of its members as board president and precludes any member from serving more than three consecutive years as board president.

(d) Directs the state board to hold meetings on dates and at places it designates.

(e) Prohibits board members from holding public office or representing or being employed by any public or private board of education or school district or having a personal financial interest in a contract with a board of education of a school district or otherwise engaging in a capacity where a conflict of interest may arise.

(f) Requires the administrative costs of the state board to be paid out of department of children, families and learning appropriations.

Subd. 2. Membership; compensation. Makes the membership terms, compensation, removal of members and filling of vacancies on the state board of education subject to the statutory section governing administrative boards and agencies.

Subd. 3. Residency requirement. Causes a board member who ceases to be a resident of the congressional district from which the member was appointed to also cease being a member of the state board of education. Directs the governor to appoint a successor within six months.

This section is effective 12/1/02.

25 **Appointment and duties.** (a) Makes the commissioner of children, families and learning the state board secretary and directs the state board, instead of the governor, to appoint the commissioner.

(b) Indicates that the commissioner serves at the pleasure of the state board.

This section is effective 12/1/02.

26 **Initial state board of education appointments.** In order to stagger the terms of the 10 citizen members of the state board, assigns four board members appointed from congressional districts and one at-large member to two-year terms and four board members appointed from other congressional districts and one at-large member to four-year terms.

This section is effective immediately.

27 **Non-health related licensing board.** Includes the board of educational administration in the definition of non-health related licensing board.

28 **Services provided.** Directs the commissioner of the department of children, families, and learning to provide suitable office and other facilities and administrative support services to the board of educational administration

29 **Officers; staff.** Places employees of the board of educational administration in the unclassified civil service.

30 **Requirements.** Exempts the board of educational administration from limiting continuing professional education or training to an average of 50 clock hours per year.

31 **Transfer; department assistance.** Transfers the powers and duties of the department of

children, families, and learning regarding charter schools to the state board for charter schools. Directs the department to provide the board with all necessary materials and assistance to accomplish the transfer.

32 **Transfer of powers and duties.** Transfers the powers, duties and responsibilities for supervisory personnel from the commissioner of the department of children, families and learning to the board of educational administration.

33 **Revisor instruction; state board of educational administration.** Directs the revisor to substitute "board of educational administration" for the "commissioner of the department of children, families and learning" in specified statutory provisions.

34 **Revisor's instruction; state board of education.** Except as otherwise provided in this article, directs the revisor of statutes to change all references from the commissioner of the department of children, families and learning to the state board of education and to transfer all authority from the commissioner of the department of children, families and learning to the state board of education, consistent with the references changed and the authority transferred under Minnesota Laws 1998, which repealed the state board of education effective 12/31/99. Includes among the changes the authority to exercise general supervision over educational agencies and adopt or amend administrative rules. Directs the revisor, in consultation with house and senate counsel, to make other necessary changes, consistent with law and rule existing prior to the repeal of the state board of education. Directs the revisor to prepare a report to the 2002 legislature showing these changes, which are effective 1/1/02.

This section is effective immediately.

35 **Fee increase approval; modification.** Approves a \$75 fee for licenses issued by the board of educational administration.

36 **Department of children, families and learning; school media staff person.** Directs the commissioner of children, families and learning to designate a staff person to provide state-level leadership for school media programs. Directs the commissioner to use existing department appropriations to pay for the staff person.

Makes this section effective 7/1/01.

37 **School media center study.** Directs the commissioner to use existing funds to study school media centers. Requires the study to make data available about school media center staffing, facilities, collections and technology, identify elements of school media programs that contribute to students' educational achievement, and recommend best practices for school media programs.

Requires the commissioner, by 1/15/03, to provide copies of the study to the chairs of the education committees.

Makes this section immediately effective.

38 **Appropriations; DCFL.** See attached fiscal sheet.

39 **Appropriations; Perpich center for arts education.** See attached fiscal sheet.

40 **Appropriations; Faribault academies.** See attached fiscal sheet.

Article 7: Fiscal Year 2001 Deficiencies

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1 **Deficiency appropriations.** Appropriates the amounts necessary to eliminate deficiencies in appropriations for fiscal year 2001. Includes:

\$19,754,000 for general education aid

\$6,000 for secondary vocational aid

\$6,740,000 for special education excess cost aid

\$273,000 for health and safety aid

\$6,000 interactive television aid

\$68,000 for alternative facilities aid

Article 8: Local Achievement Testing

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1 **Graduation rule.**

(b) Establishes in rule basic skills requirements in three core curricular areas of reading, writing and math. Strikes a profile of learning reference. Anticipates that students will have an opportunity to excel by meeting higher academic standards through local academic achievement tests of knowledge. Strikes a reference to skills testing.

(c) Strikes a requirement that the commissioner evaluate alternative assessments.

(d) Strikes language describing the profile of learning.

(e) Strikes the 11 learning areas under the profile of learning.

(g) Strikes a requirement that the commissioner publish information on school districts' implementation of the profile of learning.

(h) Strikes a requirement that school districts integrate required and elective content standards.

(i) Indicates that school districts are not required to participate in the National Assessment of Educational Progress or Title I of the Elementary and Secondary Schools Act.

2 **Statewide testing.** (a) Strikes language directing the commissioner, as part of a comprehensive assessment system, to include annual statewide tests in third, fifth and eighth grade that are aligned with the state's graduation standards. Directs the commissioner to administer basic skills tests. Makes 75 percent the passing score for the basic skills reading and math tests. Strikes language making third and fifth grade Minnesota comprehensive assessment results available to the public and for diagnostic purposes.

(b) Strikes language requiring a secondary level test of required learning areas under the profile of learning. Requires a statewide test to:

(1) use a multiple choice format with only one correct answer except essay requirements for writing;

(2) test academic, objective knowledge and not students' personal beliefs, values, or attitudes;

(3) make available to the public and parents, upon request, the test, answers, and student results and report to the office of educational accountability the test, answers and results within 60 days of when the test is administered.

(c) Directs the commissioner to report aggregate school site and school district student academic basic skills achievement levels.

(d) Strikes language creating special education and LEP student testing exemptions. Removes students' participation in the National Assessment of Educational Progress as a component of statewide public reporting and adds students' PSAT and SAT scores as a component of statewide public reporting.

3 **Educational accountability.** Strikes language requiring the office of educational accountability to advise the legislature and the commissioner on a framework that makes schools accountable for students achieving the state's graduation rule. Directs the office to advise the legislature and the commissioner on how well educational testing and reporting measures student academic achievement. Strikes language directing the office to consider the objectivity and neutrality of

the state's accountability system.

4 **Student academic achievement levels.**

Subd. 1. Local testing. (a) Directs school districts annually to administer a uniform testing program to determine whether third, fifth and tenth grade students meet local expectations for academic achievement. Strikes language requiring the legislature to determine state expectations after receiving the commissioner's recommendation.

(b) Requires the testing program to measure:

(1) third grade students' math and language arts knowledge

(2) fifth and tenth grade students' math, language arts, science, history and geography knowledge.

(c) Directs school districts to select the testing program, which may include nationally norm referenced tests, placement tests, locally developed tests, or other tests. Requires that the test:

(1) use a multiple choice format with only one correct answer except essay requirements for writing;

(2) test academic, objective knowledge and not students' personal beliefs, values, or attitudes;

(3) be secure, confidential and timed, prohibit the use of outside aids or references, except calculators at the secondary level, and accommodate students with disabilities;

(4) be sufficiently comprehensive to identify academic excellence; and

(5) make available to the public and parents, upon request, the test, answers, and student results and report to the office of educational accountability the test, answers and results within 60 days of when the test is administered.

Subd. 2. Assistance. Requires a district to consider parent recommendations when developing a plan to improve student achievement.

5 **Revisor's instruction.** Directs the revisor to make headnote changes consistent with the requirements of this bill.

6 **Repealer.** Repeals statutory provisions and rules governing the profile of learning.

Article 9: Technical Amendments

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1 **English as a second language.** Replaces a former adult basic education provision citation with the current citation.

2 **Special education aid.** Strikes language relating to a repealed statutory provision.

3 **Revenue allocation from cooperative centers and intermediate districts.** Strikes a citation to a repealed statutory provision.

4 **Legal residence of a child with a disability placed in a foster facility.** Improves the clarity of a statutory provision.

5 **Appropriation transfers.** Replaces a former adult basic education provision citation with the current citation.

6 **Appropriation transfers for community education programs.** Replaces a former adult basic education provision citation with the current citation.

7 **Repealer.** Repeals revisor notes related to statutory provisions already repealed.