

HOUSE RESEARCH

Bill Summary

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Overview

Contains K-12 education finance and policy provisions.

Section

Article 1: General Education Revenue

- 1 **Additional revenue; priority.** Corrects an erroneous cross-reference in the section of law that details the priorities of any state general fund budget surplus.
- 2 **Charter schools; general education revenue.** Modifies the portion of general education revenue that is considered transportation revenue for purposes of calculating the offset to charter school general education aid for those charter schools that do not transport their students. Increases the general education revenue for extended time pupils from \$4,378 per pupil in FY 2007 to \$4,542 per pupil in FY 2008 and \$4,677 per pupil in FY 2009 and later.
- 3 **Program established.** Clarifies the definition of a learning year program.
- 4 **Commissioner designation.** Clarifies the services that an area learning center. Authorizes an area learning center to provide accelerated instruction that leads to early graduation.
- 5 **Student planning.** Clarifies language that allows charter school and area learning center students to participate in learning year programs.
- 6 **Career and technical revenue.** Expands the career and technical levy to include an aid component. Sets the aid component equal to 10 percent of each district's qualifying career and technical expenditures.
- 7 **Pupil of limited English proficiency.** Removes the five-year limit on the number of years

that a non-English speaking student qualifies for limited English proficiency revenue.

8 **School district LEP revenue.** Increases the basic LEP revenue from \$700 to \$815 per LEP pupil for FY 2008 and later.

9 **Referendum market value equalizing factor.** Defines the referendum market value equalizing factor as the ratio of the statewide referendum market value to the total number of resident marginal cost pupil units for that year.

10 **Location equity index.** Defines the location equity index as the sum of .65 of each district's wage equity index plus .35 times the district's housing equity index. Sets the wage index by using three years of weighted age data. Makes the housing index equal to the ratio of each district's median value home to the state average median value home. Requires the commissioner of education to annually calculate the location equity index for each school district.

11 **Pupil unit.** Increases the kindergarten pupil weight from .557 to .86 for fiscal years 2009 and later.

12 **Average daily membership.** Increases the portion of time that a student may qualify for extended time revenue from .2 to .5 for FY 2008 and later.

13 **Learning year pupil units.** Increases the portion of time that a student may qualify for extended time revenue from .2 to .5 for FY 2008 and later. Clarifies the hours of instruction necessary for kindergarten pupils to qualify for extended time revenue.

14 **General education aid.** Includes location equity revenue as a component of general education revenue.

15 **Basic revenue.** Increases the basic formula allowance by 3 percent per year for FY 2008 and FY 2009. Raises the base budget formula allowance from \$4,974 to \$5,125 for FY 2008 and to \$5,280 for FY 2009 and later.

16 **Extended time revenue.** Increases extended time revenue by increasing from 1.2 to 1.5 the maximum time of service for a qualifying student. Increases the extended time formula allowance from \$4,601 to \$4,740 for FY 2008 and to \$4,880 FY 2009 and later.

17 **Gifted and talented revenue.** Increases gifted and talented revenue from \$9 per pupil unit to \$13 per pupil unit for FY 2008 and later.

18 **Location equity revenue.** Creates a new component of general education revenue called location equity revenue. Sets the revenue equal to the product of the basic formula allowance, the district's pupil units for that year and its location equity index minus one. Limits the total statewide payments under this section to not more than \$500,000 per year.

19 **Basic skills revenue.** Eliminates the limited English proficiency (LEP) concentration formula for FY 2008 and later.

20 **Operating capital levy.** Increases the equalizing factor for the operating capital levy from \$10,700 to \$33,000 for FY 2009 and later. Lowers the operating capital levy by about \$78 million per year.

21 **Transportation sparsity revenue allowance.** Modifies the coefficients used to calculate transportation sparsity revenue to more closely reflect current data.

22 **Equity revenue.** Eliminates the offset of \$23 per pupil unit for school districts that have per pupil referendum amounts in excess of the 95th percentile of referendum revenue for fiscal year 2008 and later.

23 **Reallocating general education revenue for early education programs.** Authorizes a school district to spend on early education programs any money saved when 12th graders graduate early. Authorizes a school district to spend any general education revenue on extended time kindergarten or pre-kindergarten programs.

24 **General education aid.** Completes a missing cross-reference and removes obsolete language.

25 **Building allocation; compensatory revenue.** Authorizes a school district to spend up to 5 percent of its compensatory revenue for qualifying compensatory revenue purposes for

students in school readiness or pre-kindergarten programs.

- 26 **Referendum equalization levy.** Changes the 1st tier equalizing factor for referendum revenue from \$476,000 to 120 percent of the state average referendum market value (\$567,000 for FY 2009) and changes the 2nd tier equalizing factor from \$270,000 to 60 percent of the state average referendum market value per pupil (\$283,000 for FY 2009).
- 27 **Referendum revenue.** Modifies the notice requirement for language that must appear on a ballot to renew a school district operating referendum levy, replacing the words "you may be voting for a property tax increase" with "...you are not changing your operating referendum from its level in the previous year..." Makes the change effective for elections after June 30, 2007.
- 28 **County apportionment deduction.** Adds proceeds from wind energy payments to the definition of county apportionment revenue (this means that wind energy payments will offset state aid that the school district would otherwise receive-these payments are currently additional revenue to these school districts).
- 29 **Adjustment for failure to meet federal maintenance of effort.** Creates a process to reduce general education aid for school districts that are members of a special education cooperative and do not meet federal special education maintenance of effort requirements.
- 30 **Safe schools levy.** Creates additional safe schools levy authority of \$3 per pupil for all school districts and an additional \$5 per pupil for districts that are members of intermediate school districts. Authorizes safe schools revenue to be spent on licensed support personnel who engage in activities designed to provide early responses to students' problems. Creates a maintenance of effort requirement to prevent school districts from supplanting their existing spending for licensed school support personnel.
- 31 **Aid reduction; levy revenue recognition change.** Corrects an erroneous cross-reference.
- 32 **Alternative attendance programs.** Modifies the calculation of general education aid attributable to the referendum revenue paid to a serving school district under open enrollment to be the greater of the current amount of aid or a portion of the first tier of equalization revenue (\$700 per pupil for FY 08 and later) determined by calculating the percent of open-enrolled students attending the school district. Sets the open enrollment index number equal to the greater of zero or the district's open enrollment index less .2. Excludes school districts from the referendum revenue adjustment if more than 50 percent of the district's open enrollment students participate only in online learning.
- 33 **Charter schools.** Lowers the general education aid subtraction applicable to charter schools that require school districts to transport their students to conform to the new transportation sparsity allowance.
- 34 **Abatements.** Updates the abatement aid calculation to include the aid amounts for all equalized levies.
- 35 **Excess tax increment.** Updates the excess tax increment calculation to include the aid amounts for all the levies that are equalized.
- 36 **Question.** Requires to petition to mandate a school election to contain the greater of 50 signatures or 5 percent of the number of voters voting in the most recent school district general election.
- 37 **Report to the commissioner of education.** Requires the county auditor, on the first Wednesday after the settlement date, to report to the commissioner of education on the amount of wind energy payments distributed to each school district.
- 38 **Application process.** Adds the Brooklyn Center school district to the list of districts that may apply to participate in the pilot project to redistribute compensatory revenue based on student performance instead of free and reduce meal eligibility.
- 39 **Onetime energy assistance aid.** Corrects an error in the appropriation for one-time energy assistance aid.
- 40 **School finance reform; task force.** Establishes a school finance reform task force. Charges

the task force with: creating an adequacy index; simplifying the formulas; examining categorical funding programs, and examining the role of the regional delivery system. Requires the house and senate to each appoint four members to the task force. Requires the task force to submit its recommendations to the legislature by January 15, 2008.

- 41 Charter school pupil transportation.** Requires the commissioner of education to undertake a study and make recommendations to the legislature on the organization, delivery, and financing of pupil transportation services. Requires the report to be completed and filed with the education committees of the legislature by December 31, 2007.
- 42 Appropriations.** Sets the appropriations for:

- general education aid;
- referendum tax base replacement aid;
- enrollment options transportation;
- abatement revenue;
- consolidation transition;
- nonpublic pupil education aid;
- nonpublic pupil transportation aid;
- one-room schoolhouse aid for the Angle Inlet school;
- declining pupil aid for Browns Valley;
- declining pupil aid for McGregor;
- compensatory revenue pilot project; and
- the Education Finance Reform Task Force.

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

- 43 Revisor's Instruction.** Directs the revisor of statutes to remove any incorrect cross references resulting from the repeal of Minnesota Statutes, section 124D.06 (governing an obsolete enrollment options provision).

- 44 Repealer.** Repeals:

- 126D.06, obsolete enrollment options provision for children born before 1978 or their siblings, effective June 30, 2007;
- 124D.081, first grade preparedness, for revenue for fiscal year 2009.

Article 2: Educational Excellence

- 1 Access to student records; school conferences.** (a) Allows a child's parent or guardian to designate an individual to participate in a school conference involving that child. Requires the parent or guardian to give prior written consent to allow the individual to participate in

the conference and have access to nonpublic data on the child that is needed for and relevant to the conference. Allows the parent or guardian to withdraw consent in writing at any time.

(b) Allows a school to accept a suggested form included in this paragraph or another form for purposes of providing consent under this section.

(c) Defines "individual" to mean another adult that a child's parent or guardian designates to attend school-related conferences or activities.

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

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

(b) Allows program providers under paragraph (a) to form partnerships with eligible organizations to provide literacy programs that offer seamless literacy instruction to children through grade 3 that is focused on closing the literacy achievement gap. Requires partnership members to use best efforts and practices and to work collaboratively. Requires program providers to: evaluate children's literacy skills and formulate specific interventions premised on the outcomes of formative and summative assessments and research-based indicators of literacy development. Requires program providers to train teachers and other providers to use assessment outcomes to develop and use coaching models specific to the provider.

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

Makes this section effective immediately.

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

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

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

- 4 **Required academic standards.** Strikes language indicating that locally developed standards apply to physical education requirements. Requires physical education standards

to be consistent with department-developed standards or national standards. Requires districts that comply with the national physical education standards to notify the department for purposes of federal PEP funding.

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

Makes this section applicable to students entering the ninth grade in the 2008-2009 school year and later.

- 5 Revisions and reviews required.** (b) Directs the Office of Educational Accountability, in collaboration with the Minnesota State Colleges and Universities, to determine, and the commissioner to set a passing score for the eleventh grade math test that represents college readiness.

(e) Directs the Office of Educational Accountability, in collaboration with the Minnesota State Colleges and Universities, to determine, and the commissioner to set a passing score for the tenth grade reading and language arts test that represents college readiness.

(g) Directs the commissioner in the 2011-2012 school year to revise and align the state's physical education standards and related high school graduation requirements. Requires students to comply with the revised standards beginning in the 2014-2015 school year. Directs the commissioner to implement a review of the physical education standards and benchmarks beginning in the 2020-2021 school year. Strikes language directing school districts and charter schools to revise and align local standards in physical education.

Makes this section applicable to students entering the ninth grade in the 2008-2009 school year and later.

- 6 Graduation requirements; course credits.** (a) Requires students to complete one-half credit of physical education for graduation.

(c) Directs the commissioner, in collaboration with the Minnesota State Colleges and Universities to develop and implement a statewide plan to communicate with all Minnesota high school students no later than the beginning of ninth grade the state's expectations for college readiness.

Makes this section applicable to students entering the ninth grade in the 2008-2009 school year and later.

- 7 Report.** Directs school boards to annually describe at a local public meeting student achievement in those subject areas for which locally developed standards and assessments apply.

- 8 Raised academic achievement; advanced placement and international baccalaureate programs.**

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

programs.

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

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

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

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

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

10 Statewide testing and reporting system.

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

Subd. 1a. Statewide and local assessments; results. Directs the commissioner, as part of the state's standards and assessments, to include a value-added component no later than the 2008-2009 school year that is in addition to a measure for student achievement growth over time. Directs school districts to place students' assessment scores for ninth grade reading, tenth grade language arts, and eleventh grade math on students' transcripts.

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

Makes this section immediately effective.

12 School performance report cards. (a) Strikes a direction to the education commissioner to identify four to six designations applicable to high and low performing schools. Includes

student-to-teacher ratios among the criteria the commissioner must use to determine student performance levels. Requires the commissioner's report on student performance to indicate a school's adequate yearly progress status.

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

(c) Strikes a reference to school designations.

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

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

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

13 **Applicability.** (a) Allows parents to request that school personnel administer physician-prescribed naturopathic medications, among other medications.

(b) Defines "physician-prescribed naturopathic medicine" as naturopathic medicine under the federal Food, Drug, and Cosmetic Act that is prescribed by a licensed physician in consultation with a board certified naturopathic physician.

Makes this section effective immediately.

14 **Labeling.** Requires drugs and medicine, except physician-prescribed and labeled naturopathic medicine, to be in a labeled container prepared by a pharmacist.

Makes this section effective immediately.

15 **Administration.** Requires physician-prescribed naturopathic medicine to be administered according to the order of the prescribing physician.

Makes this section effective immediately.

16 **Responsible family life and sexuality education programs.**

Subd. 1. Definitions. (a) Lists the characteristics of a responsible family life and sexuality education program for students in grades 7 through 12.

(b) Defines the term "age-appropriate" for purposes of this section.

(c) Defines "medically accurate" for purposes of this section.

Subd. 2. Curriculum requirements. (a) Requires school districts to offer a responsible family life and sexuality education program for students in grades 7 through 12 that is age-appropriate and medically accurate.

(b) Requires school districts to consult with parents and guardians of enrolled students when establishing policies, procedures, curriculum, and services under this subdivision.

Subd. 3. Notice and parental options. (a) Indicates the legislature's intent to encourage students to communicate with their parents and to respect parents' rights to supervise their children's education on matters of family life and sexuality education.

(b) Allows parents to excuse their children from a responsible family life and sexuality education program.

(c) Requires school districts to establish policies and procedures for notifying parents about whether the school districts are offering a responsible family life and sexuality education program, how parents may inspect program materials, who presents the program, and parents' right to choose not to have their children participate in the program.

(d) Directs school districts to establish policies and procedures to reasonably restrict access to program materials for students not participating in the program.

(e) Allows school districts to develop a policy making a parent's prior written consent a precondition to providing a responsible family life and sexuality education program. Directs school districts that develop such a policy to make reasonable arrangements for alternative instruction for those students whose parents refuse to give their consent.

Subd. 4. Assistance to school districts. (a) Allows the Education Department to assist school districts in implementing a responsible family life and sexuality education program by provide training, staff resources, and technical assistance.

(b) Requires the department's technical assistance to comply with national education health standards and may promote use of age appropriate instruction and materials, medically accurate and objective information, instruction and materials on marriage and committed relationships, instruction and materials that accommodate diverse family experiences, instruction and materials that encourage students to communicate with their parents, instruction and materials about abstinence, instruction and materials about sexually transmitted infections, instruction and materials about preventing and reducing the risk of unwanted pregnancies and sexually transmitted infections, instruction and materials about making and implementing responsible decisions about sexuality, and instruction and materials that do not teach or promote religious doctrine or reflect or promote bias.

17 **Highly qualified teacher defined.** Defines highly qualified teacher to be one who has obtained full state certification or passed the state teacher licensing exam and holds a Minnesota teacher's license, does not have certification or licensure requirements waived on an emergency basis, holds at least a bachelor's degree, and has demonstrated competency in core academic subjects. Strikes language relating to the HOUSSE process for becoming a highly qualified teacher as defined under the No Child Left Behind Act. Declares that the state determines subject matter competency to meet the federal highly qualified requirements.

18 **Determining passing scores.** Makes the passing score on the Praxis II exam the passing score in effect when the teacher candidate took the exam and not the passing score in effect when the teacher candidate applies for a teaching license.

19 **Grounds for revocation, suspension, or denial.** Directs the state Board of Teaching to refuse to issue or renew or to automatically revoke the teaching license of a person convicted of a crime involving either the use of minors in a sexual performance or the

possession of pornographic works involving a minor. Removes the board's obligation to hold a hearing before withholding or withdrawing the license.

20 **Restructured pay system.** Allows an alternative teacher professional pay system to include experience and educational credits.

21 **Alternative teacher professional pay system.** Bases at least 60 percent of any compensation increase funded by alternative compensation revenue on teacher performance.

22 **Revenue amount.** Changes the formula for calculating the alternative teacher compensation revenue for a qualifying intermediate school district . Makes this section effective for revenue for fiscal year 2008.

23 **Staff development outcomes.** Includes improving and increasing teachers' knowledge of the academic subjects they teach as a staff development goal.

Makes this section immediately effective.

24 **Staff development revenue.** Allows staff development revenue to be used for higher education courses and programs in teachers' area of licensure.

Makes this section immediately effective.

25 **Scholar loans to prepare teachers of color.**

Subd. 1. Establishment; definitions. (a) Establishes a scholar loan program to encourage academically talented postsecondary students of color to become E-12 teachers.

(b) Defines "student of color" and indicates the director is the Minnesota Office of Higher Education director.

Subd. 2. Eligibility. Requires scholarship applicants to be American citizens residing in Minnesota, be registered as a junior or senior in a public or private four-year postsecondary institution and enrolled in that institution's teacher preparation program, be making satisfactory progress in completing a bachelor's degree in education, agree to teach in a Minnesota school district with a 15 percent student of color population or a commissioner-approved school desegregation/integration plan, and meet specified academic criteria.

Subd. 3. Application process; awarding scholarship loans. (a) Directs the director, in consultation with the education commissioner, to award scholarship loans to eligible students of color applicants.

(b) Allows qualified students of color to receive loans of up to \$10,000 for two academic years. Allocates 10 percent of the loans to qualified students who transfer from two-year colleges.

(c) Directs the director to spend up to 5 percent of an appropriation for promoting the program, recruiting students, and retaining and mentoring students and teachers. Directs the director to consult with the education commissioner in using existing state programs to provide services under this paragraph.

Subd. 4. Loan forgiveness; deferral; repayment. (a) Allows the director to forgive a loan of up to \$2,500 each year for up to four school years of full-time teaching by a loan recipient who teaches in a Minnesota school district with a 15 percent student of

color population or a commissioner-approved school desegregation/integration plan.

(b) Permits the director to allow a loan recipient to teach in other than a Minnesota school district with a 15 percent student of color population or a commissioner-approved school desegregation/integration plan if employment in such a school district is unavailable. Allows the director to defer repayment of the loan if the loan recipient is enrolled in an advanced degree program in a relevant field.

(c) Requires loan recipients not subject to paragraph (a) or (b) to repay the loan at 6 percent interest.

(d) Directs the director to establish repayment procedures.

Subd. 5. Revolving fund. Establishes a scholar loan repayment revolving account in the state treasury and requires loan repayments to be deposited in the account. Annually appropriates the money in the account to the director for the scholar loan program.

26 **Center functions.** (b) Directs each teacher center to provide a professional development program to train kindergarten through grade 12 teachers selected by their district to assist other teachers with math and science curriculum, standards and instruction so that all teachers have access to high quality professional development programs in math and science, and research-based math and science programs and instructional models premised on best practices. Makes this section effective for the 2007-2008 school year and later.

27 **Veteran's Day recognition.** Directs school districts and charter schools to observe Veteran's Day by giving to staff who are veterans the option of using the day as a personal leave day. Encourages other Minnesota entities to grant employees who are veterans a day off with pay on that day.

28 **Membership in economic development, community, and civic organizations.** Allows a school board to authorize payment of membership fees for a district administrator.

29 **School boards may require fees.** Allows school boards to charge fees to charter schools for transporting charter school students to extracurricular activities in the students' resident school district.

30 **Boards shall not charge certain fees.** (c) Prohibits school boards from charging fees to persons serving in active military service for the cost of transmitting copies of the person's transcript to a postsecondary institution or prospective employer.

31 **Nonpublic transcripts.** Prohibits nonpublic schools that receive public aid or services from charging a transcript fee to persons serving in active military service. Allows the nonpublic schools to request reasonable proof of military status.

32 **Board control of extracurricular activities.** (a) Makes all resident charter school students eligible to participate in the extracurricular activities of their resident school district on the same basis as enrolled public school students. Requires charter school students to give their charter school and resident school district a 30-day notice of their intent to participate in the extracurricular activities of their resident school district. Requires charter schools to agree in writing to pay the direct and indirect costs attributable to the student participants. Makes charter school students ineligible to participate in the extracurricular activities of their resident school district if the charter school offers the extracurricular activities or the extracurricular activities are not controlled by the Minnesota state high school league. Requires charter school students participating in the extracurricular activities of their resident school district to meet the academic and student conduct standards of the resident school district. Requires charter schools to collect the same student eligibility information that school districts collect, transmit that information to the resident school district at least

10 days before a student begins participating in extracurricular activities and immediately transmit any added information affecting students' eligibility.

(c) Changes the name of the manual for reporting extracurricular revenues and expenditures to the Manual for Activity Fund Accounting.

(f) Allows school districts to charge charter schools their proportional share of the direct and indirect costs of extracurricular activities not covered by student fees. Allows school districts to charge charter school students the same extracurricular activity fees it charges to enrolled students. Requires all charges to a charter school and charter school students to be paid when the students are selected to participate in the extracurricular activities. Does not obligate school districts to transport charter school students who participate in the district's extracurricular activities.

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

33 Alternative attendance programs. (b) Permits a school district to provide transportation to allow a student who attends a high-need English language learner program and resides within the program's transportation attendance area to continue in the program until the student completes the program.

34 Concurrent enrollment program aid.

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

Subd. 2. Eligibility. Makes a school district that offers a certified, National Alliance of Concurrent Enrollment Partnership course through a course agreement under the Minnesota Post-Secondary Enrollment Options program (Minn. Stat. § 124D.09, subd. 10), eligible to receive aid for the costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011, makes aid available to districts only if the district's concurrent enrollment courses are accredited, are being accredited, or are comparable to accredited courses offered by the National Alliance of Concurrent Enrollment Partnership.

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

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

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

36 Authorization; notice; limitations on enrollment. (a) Allows a student to apply for full-time enrollment in an approved online learning program or for supplemental online learning. Establishes online learning enrollment procedures under this subdivision. Requires the student applicant and the student's parent to apply to the online learning provider and identify the reason for enrolling. Requires an online learning provider that accepts a student to notify the student and the enrolling district within 10 days if the enrolling district is not

the online learning provider. Requires the student and the student's parents to notify the provider within 10 days of the student being accepted that the student intends to enroll and requires the student and the student's parent to sign a statement indicating that they understand the expectations of the online learning course. Requires the online provider to notify the enrolling district of the student's enrollment in an online learning course.

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

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

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

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

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

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

40 State and local requirements. Makes charter school students participating in the extracurricular activities of their resident district subject to the sections governing the charging of fees for transporting students to extracurricular activities in their resident school district and the parameters for participating in the extracurricular activities of their resident district.

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

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

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

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

transition program that includes an intensive English component.

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

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

Makes this section effective immediately.

44 Minnesota Indian scholarship program awards. Directs the education commissioner to establish procedures for distributing scholarships, based upon the recommendations of post secondary institutions and a standardized needs analysis. Allows the commissioner to award grants consistent with the maximum student amounts allowed under federal Pell grants. Makes scholarships available for five years of study at the undergraduate level and for five years of study at the graduate level and allows students to acquire only one degree per level and one terminal degree.

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

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

(c) Requires boards to use best practices.

(d) Directs boards to periodically review their policies.

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

46 Basic alternative teacher compensation aid. (b) Deletes the reference to intermediate school districts from the basic alternative teacher compensation aid calculation used to determine the aid amount for charter schools.

(c) Declares that the basic alternative teacher compensation aid calculation for intermediate school districts with an approved plan equals \$3,800 times the number of licensed teachers teaching in the school on October 1 of the previous fiscal year.

Makes this section effective for revenue for fiscal year 2008.

47 College readiness. (a) Directs the Minnesota State Colleges and Universities to collaborate with the Office of Educational Accountability in determining the passing scores for the MCA-II's in reading and language arts in grade 10 and in math in grade 11 so that "passing score" performances on the two assessments represent a high school student's college readiness. Directs MnSCU to collaborate with the education commissioner in developing and implementing a plan to communicate the state's expectations for college readiness to all

ninth grade students.

(b) Requires MnSCU entrance and admission materials to indicate the level of academic preparation students must have to be ready for college.

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

Makes this section effective immediately.

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

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

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

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

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

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

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

50 **Experience requirements.** Directs rules adopted by the Board of School Administrators to require a person applying for a principal license to have three years of successful classroom teaching experience.

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

52 **Rulemaking required.** (a) Directs the Board of Teaching to adopt rules to implement a statewide credential for education paraprofessionals who assist a licensed teacher in providing instruction. Requires the board to publish a notice of intent to adopt rules or a

notice of hearing for rules subject to this section before January 1, 2008.

(b) Declares that the board's failure to comply with paragraph (a) is a willful failure to perform a specific act that is a required part of the duties of a public official and is cause for removal from the board.

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

Makes this section effective immediately.

- 54 **Rulemaking authority.** (a) Directs the education commissioner to adopt rules for physical education standards required for graduation after reviewing standards developed by the health and physical education quality teaching network and consulting with stakeholders and the public.

(b) Directs the commissioner to use expedited rulemaking to adopt six specified national physical education standards as alternative state physical education standards.

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

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

(c) Directs the Education Department, beginning July 1, 2008, to assist educators in developing and implementing world languages programs that acknowledge and reinforce the language proficiency and cultural awareness that non-English speakers possess, and encourage students' proficiency in multiple world languages. Acknowledges that indigenous American Indian languages and cultures, among other languages and cultures, satisfy the program requirements in this paragraph. Directs the department to consult with postsecondary institutions in developing professional development opportunities.

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

Makes this section effective immediately.

- 56 **World languages pilot program grants.** (a) Establishes a pilot program in fiscal year 2009 to award five world languages grants of \$50,000 each to interested school sites and school districts to develop and implement sustainable, high-quality model kindergarten through

grade 12 world languages programs and to enhance existing programs. Requires program participants to support non-English language learners in maintaining their native language while mastering English and native English speakers in learning other languages.

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

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

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

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

57 **Bilingual and multilingual certificates; Department of Education.** Directs the Education Department, in consultation with interested stakeholders, to recommend to the legislature by February 15, 2008, the standards and process for awarding bilingual and multilingual certificates to kindergarten through grade 12 students who develop and maintain proficiency in multiple languages. Makes this section effective immediately.

58 **Master teacher training in economics and personal finance.** Directs the education commissioner to contract with the Minnesota Council on Economic Education to allow 20 highly qualified economics and personal finance teachers to participate in a week-long summer training program that enables these teachers, as master teachers, to provide professional development to other teachers interested in improving their economics and personal finance teaching. Allows master teachers to co-teach teacher workshops with members of the statewide network of centers for economic education and to provide workshops as part of school districts' professional development programs.

Makes this section effective immediately.

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

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

Makes this section effective immediately.

60 **Alternative school calendar pilot program.**

Subd. 1. Establishment. Establishes an alternative school calendar pilot program to examine the impact of school calendar arrangements on student learning,

notwithstanding laws governing school districts' calendars, and consistent with the state's flexible learning year program. Directs the education commissioner to structure the program and select program participants to compare the impact of traditional and nontraditional school calendars on: students' retention of educational material after vacations; the enrichment opportunities and remedial help available to students during the school year; student attendance, discipline, and achievement; and time available to students and staff for out-of-school learning, vacations, and recreation.

Subd. 2. Eligibility; application. Directs interested school districts and charter schools to apply to the commissioner and to identify the internal and external factors that may affect a preference for a traditional or nontraditional school calendar. Allows the commissioner to request added information.

Subd. 3. Application review; grant awards. Declares eligible for a grant only those school districts and charter schools that meet the requirements of subdivisions 1 and 2. Directs the commissioner to award grants on an equitable geographic basis if possible and to consider grant applications from existing and proposed flexible learning year programs. Directs the commissioner to base the amount of the grant award on the number of enrolled students and the length of the grantee's school calendar. Requires grant expenditures to be consistent with the budget information the grantee periodically submits to the commissioner.

Subd. 4. Evaluation. Directs the commissioner to provide for an evaluation of the impact of the school calendar arrangements on student learning within 180 days of when the program terminates and to recommend to the legislature preferred school calendars based upon demonstrated student achievement and other listed criteria.

Makes this section effective immediately.

61 American Indian scholarship. Transfers administration of the American Indian scholarship program from the Education Department to the Minnesota Office of Higher Education. Directs the office, at no cost to the scholarship program, to maintain an office in the Bemidji area for distributing scholarships under this section. Allows Bemidji state university to provide office space and support at no cost.

62 Teacher training to integrate learning technologies in K-12 classrooms. (a) Directs the education commissioner to contract with experts at the University of Minnesota to provide teacher training in using computers and related technologies in classrooms. Directs the experts to provide professional development opportunities to teachers throughout the state to enable them to use technology-related instructional resources to help diverse groups of students meet academic standards and graduation requirements and achieve educational excellence, and to enhance teachers' effectiveness. Allows teachers participating in this program to serve as master teachers to provide professional development for other teachers and to co-teach teacher workshops.

(b) Directs the education commissioner to provide for an evaluation of the effectiveness of the teacher training program and to recommend to the legislature by February 15, 2010, whether or not to make the program available statewide.

Makes this section effective immediately.

63 Advisory task force on Minnesota American Indian tribes and communities and K-12 standards-based reform. (a) Establishes an advisory task force to examine the impact of federal and state standards-based reform on Minnesota's K-12 students, including American

Indian students, and to recommend to the legislature changes to the state's performance standards, content requirements, assessment measures and teacher preparation programs to effectively meet the needs of all students, including American Indian students. Directs the task force, in consultation with qualified advocates for American Indian children, to determine if state education standards and assessments are appropriate for American Indian students.

(b) Names the entities the commissioner must appoint as task force members. Makes task force matters subject to the statutory provision governing advisory boards and subject to appropriations. Directs the task force to submit a written report to the legislature by February 15, 2008, that includes recommendations for changes to the state's performance standards, content requirements, assessment measures and teacher preparation programs to most effectively meet the educational needs of American Indian students in Minnesota schools.

(c) Directs the commissioner to provide the task force with technical and other support.

(d) Causes the task force to expire on February 16, 2008.

Makes this section effective immediately.

64 **Advisory task force to consider and recommend a redesign of middle schools.** (a) Establishes an advisory task force of qualified experts to recommend to the legislature a redesign of middle schools that at least addresses how to: promote adolescents' intellectual and emotional development; maximize relationships between teachers and students and among students; provide world-class math, science and technology instruction and curriculum; implement a research-based educational structure and system for adolescents to succeed; restructure the school calendar to accommodate adolescents' needs; and emphasize the personalization of learning.

(b) Directs the education commissioner to appoint advisory task force members from specified entities. Causes task force members' terms and other matters to be governed by the statutory section governing advisory councils and committees. Directs the task force to submit its written recommendations to the legislature by February 15, 2008. Directs the education department to provide technical assistance upon request.

(c) Causes the task force to expire on February 16, 2008.

Makes this section effective immediately.

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

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

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

68 **Appropriations; Minnesota Education Department.** Makes general fund appropriations to the Minnesota Education Department for charter school building lease aid, charter school startup aid, integration aid, magnet school grants, interdistrict desegregation or integration transportation grants, American Indian success for the future grants, American Indian teacher preparation grants, tribal contract schools, early childhood programs at tribal

schools, statewide testing and reporting system, first grade preparedness, examination fees and teacher training and support programs, advanced placement, international baccalaureate and college in the school programs, collaborative urban educator grants, youth works program, early childhood literacy programs, the St. Croix Education District, student organizations, the college level examination program, the education planning and assessment program, 21st century high schools, and Minnesota teacher development.

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

- 69 **Repealers.** Repeals Minnesota Statutes, sections 120B.233 (character development education revenue and pilot program), 121A.23 (programs to prevent and reduce the risks of sexually transmitted infections and diseases), and 124D.62 (exemption from licensure requirements for limited English proficiency and English as a second language teachers).

Article 3: Special Programs

- 1 **Pupil transportation; definitions.** Conforms the definition of special education revenue used in the pupil transportation statute to new special education definitions, which replace the two-year prior base data with current year special education data referred to as initial aid.
- 2 **Transition for children with disabilities; definitions.** Eliminates the references to base year special education revenue contained in the definitions used for the transition for children with disabilities program.
- 3 **Transition for children with disabilities; initial aid.** Changes the calculations for the transition for children with disabilities program from a two-year lagged base revenue to the current year's program costs and names the amount "initial aid."
- 4 **Nonresident tuition rate; other costs.** Clarifies that a reference to referendum aid was intended to be to referendum equalization aid (the other referendum aid is tax base replacement aid). Includes a missing cross-reference to approved care and treatment programs.
- 5 **School of parent's choice.** Authorizes, in addition to the current open enrollment options, the parent of a student with a disability who is not yet enrolled in kindergarten to request that a nonresident school district provide educational services to the parent's child.
- 6 **Extended school year.** Clarifies that extended time programs include more than just summer school.
- 7 **Statewide hearing loss coordinator.** Defines duties for a statewide hearing loss coordinator.
- 8 **Travel aid.** Clarifies that the special education travel aid includes necessary travel for community-based services to children with a disability who are under the age of five.
- 9 **Program and aid approval.** Requires a school district that provides Part C services to children (special education for pre-kindergarten aged students) to include information on that program in its annual filings with the commissioner of education.
- 10 **Special education definitions.** Removes the definition of "base year" from the regular special education revenue calculations. Makes this change because the two-year lagged base revenue is replaced with current year base revenue called "initial aid."
- 11 **Special education initial aid.** Changes the name of "base revenue" to "initial aid" and calculates each district's share of regular special education revenue based on current year initial aid as opposed to the second prior year's base revenue.
- 12 **State total special education revenue.** Raises the statewide total capped amount of special education revenue from \$529 million to \$572 million for FY 2008, to \$573 million for FY 2009, to \$574 million for FY 2010, and to \$576 million for FY 2011.

- 13 **School district special education aid.** Calculates each school district's share of regular special education aid based on current year costs, instead of costs from the second prior year.
- 14 **Special education forecast maintenance of effort.** Creates a process to allocate additional amounts of aid to the special education formulas if state spending on special education aid falls short of federal maintenance of effort requirements.
- 15 **Definitions.** Clarifies the uniform billing process.
- 16 **Initial excess cost aid.** Bases a district's excess cost aid on the gap between expenditures and revenue for the previous year, instead of the current year.
- 17 **State total special education excess cost aid.** Increases the state total amount of special education excess cost aid from \$105 million to \$128 million for FY 2008, \$129 million for FY 2009, \$129 million for FY 2010, and \$130 million for FY 2011.
- 18 **Out-of-state tuition.** Clarifies the amount the resident school district must first pay before submitting a bill to the state for the remaining special education costs associated with a child placed by court action in another state.
- 19 **Alternative attendance programs.** Clarifies that a reference to referendum aid was intended to be a reference to referendum equalization aid (the other referendum aid is tax base replacement aid).
- 20 **Special education tuition billing for fiscal years 2006, 2007 and 2008.** Authorizes a school district to exempt itself from the uniform tuition billing calculations through FY 2008. Requires the Department of Education to grant this authority to qualifying school districts. Authorizes a school district to seek approval for additional bills charged to resident school districts for certain remaining unreimbursed special education costs.
- 21 **Task force to compare federal and state special education requirements.** Creates a task force appointed by the commissioner of the bureau of mediation services to study and compare state and federal special education requirements. Requires the task force to file a report with the education committees of the legislature by February 15, 2008.
- 22 **Appropriations.** Appropriates money for:
- regular special education aid;
 - aid for children with disabilities;
 - travel for home-based services;
 - special education excess cost aid;
 - Transition for disabled students aid;
 - court-placed special education revenue;
 - special education out-of-state tuition; and
 - the Special Education Task Force.

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- 23 **Repealer.** Repeals:
- 124D.454, subd. 4, 5, 6 and 7-the funding formula for the transition for

disabled students programs since this funding is now included in a district's regular special education aid;

- 125A.10-coordinating interagency services for a students with disabilities;
- 125A.75, subd. 6-special education summer school approval process (summer school is covered by the learning year program language);
- 125A.76, subd. 3-adjusted special education base revenue (this subdivision is not needed since the special education formula will now be calculated on current year data instead of data from the second prior year).

Article 4: Facilities and Technology

- 1 Debt service equalization; definitions.** Removes the debt levy attributable to alternative facilities bonds from the definition of debt that is eligible for debt service equalization aid.
- 2 Debt service equalization revenue.** Eliminates the second tier of debt service equalization revenue, so that all debt service revenue over 15 percent of adjusted net tax capacity is equalized at the same rate. Under current law there are two tiers of debt service equalization revenue: the second tier is defined as all debt service revenue in excess of the amount raised by a tax rate of 25 percent of adjusted net tax capacity; and the first tier is defined as the revenue in excess of the amount raised by a tax rate of 15 percent of adjusted net tax capacity, minus the second tier debt service equalization rate.
- 3 Equalized debt service levy.** Sets the debt service equalization factor at the state average adjusted net tax capacity per pupil (approximately \$6,900). Under current law, first tier equalization revenue is equalized at \$3,200 per pupil, and second tier equalization revenue is equalized at \$8,000 per pupil.
- 4 Debt service and school bond agricultural credit appropriation.** Modifies the fixed standing appropriation for debt service equalization aid to match the current forecast amounts and adds to the appropriation the amount necessary for the enhanced debt equalization contained in sections 2 and 3. Creates a new fixed, standing, appropriation for the school bond agricultural credit.
- 5 School bond agricultural credit.**

Subd. 1. Eligibility. Makes all property classified as agricultural or timberland (but excluding the house, garage and one acre of an agricultural homestead) eligible for the credit established in this section.

Subd. 2. Credit amount. Provides for a credit of 23 percent of the portion of the property tax attributable to school debt levies, for all eligible property.

Subd. 3. Credit reimbursements. Requires the county auditor to report to the commissioner of revenue the credit amount for each school district, and requires the commissioner to certify the accuracy of the submitted amounts.

Subd. 4. Payment. Requires the commissioner of revenue to certify the reimbursement amounts to the commissioner of education, and the commissioner of education to pay the reimbursement amounts to the school districts.

- 6 Health and safety revenue.** Includes the debt levy attributable to alternative facilities bonds in the definition of debt that is equalized as part of health and safety revenue.
- 7 Capital project levy referendum.** Limits a capital project levy referendum to a term of not

more than 10 years.

- 8 **Adjusted net tax capacity equalizing factor.** Defines the ANTC equalizing factor as the statewide average ANTC per pupil unit.
- 9 **Adjusted debt service net tax capacity.** Modifies the calculation of the sales ratio so that it compares sales prices to the property's estimated market value instead of to its limited market value.
- 10 **No election.** Permanently extends the authority of the Minneapolis school district to annually sell and issue building bonds in an amount not to exceed \$15 million per year.
- 11 **Limited market value.** Removes the calculation of limited market value for purposes of calculating the sales ratio.
- 12 **Computation of net taxes.** Includes the school bond agricultural credit in the list of credits subtracted from the gross tax in arriving at the net tax. Makes the computation effective for taxes payable in 2008 and thereafter.
- 13 **Notice of proposed taxes.** Subtracts the school bond agricultural credit from the gross tax on the truth-in-taxation statement. Makes the computation effective for taxes payable in 2008 and thereafter.
- 14 **School district levies; special requirements.** Requires the debt portion of the school district levy to be reported separately at the time of levy certification. Makes the requirement effective for taxes payable in 2008 and thereafter.
- 15 **Computation of tax rates.** Requires the county auditor to separately calculate a school debt tax rate for each school district.
- 16 **Contents of tax statements.** Subtracts the school bond agricultural credit will be subtracted from the gross tax on the tax statement. Makes the computation effective for taxes payable in 2008 and thereafter.
- 17 **School technology aid.**

Subd. 1. Task force established. Establishes a school technology task force. Requires the task force to propose technology standards and systems, and an interoperability framework.

Subd. 2. Advisory task force members. Lists the 13 members of the advisory task force. Requires the commissioner of education to provide materials and assistance to the task force. Requires the task force to submit its proposed standards and recommendations to the education committees of the legislature by February 15, 2008.

Subd. 3. Funding. Qualifies all school districts for one-time technology funding equal to \$30 per adjusted marginal cost pupil unit for fiscal year 2009.

- 18 **Administrative lease levy; Spring Lake Park.** Authorizes Independent School District No. 16, Spring Lake Park, to lease a building for administrative purposes and include the lease amount in its lease levy authorization under section 126C.40.
- 19 **Bonding authorization.** Permanently extends the authority of the St. Paul School District to annually sell and issue building bonds in an amount not to exceed \$15 million per year.
- 20 **Tax levy for debt service.** Grants the St. Paul School District explicit levy authority for the bonds issued under section 19.
- 21 **Appropriations.** Appropriates money for:

- health and safety revenue;
- debt service equalization;

- school bond agricultural credit aid;
- alternative facilities bonding aid;
- equity in telecommunications access;
- deferred maintenance aid;
- Red Lake School District security reimbursement aid;
- Rocori School District for Project Serv;
- School technology grants;
- School technology advisory task force expenses; and
- Eden Valley-Watkins; environmental remediation.

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

Article 5: Nutrition and Accounting

- 1** **Budgets.** Moves language regarding the publication of budget information to a new subdivision.
- 2** **Form of notification.** Requires a school board to annually notify the public of its revenue, expenditures, fund balances, and other relevant budget information. Requires this information to be: included in the district's truth in taxation materials; posted on the district's website with a link to the school report card information on the department of education's website; and published in a qualified newspaper of general circulation within the district.
- 3** **Contract; duties.** Strikes language obligating school superintendents to annually submit a report identifying expenditures needed to achieve an 80 percent student pass rate on the eighth grade basic skills test, the highest student pass rate the district expects to achieve on the test by grade 12, the expenditures needed to attain the requisite pass rate, and the extent of a district's cross subsidies.
- 4** **Budget approval.** Strikes language directing school boards to inform the administrative authority at each school site about the general education and referendum revenue that the Education Department estimates that enrolled pupils at the site will generate, allowing districts to adjust department estimates, requiring districts to report compensatory revenue adjustments to the department, and requiring the department to use the adjusted compensatory revenue estimates in preparing its report.
- 5** **Account transfer for reorganizing school districts.** Changes the consolidation statute so that account balances and fund balances of consolidating districts can be adjusted by the new consolidated board for the year before the year of consolidation
- 6** **Elimination of reserve accounts.** Requires a school board to eliminate reserve accounts in all areas where specific statutory authority for the reserve no longer exists. Requires any amounts in these accounts to be transferred to the school district's unreserved general fund balance. Allows a school board to replace any specific eliminated reserve account with designated account for that same program.
- 7** **School lunch computation.** Raises the school lunch reimbursement aid by 1.5 cents per meal served from 10.5 cents to 12 cents.

8 **Building allocation.** Allows a school district that opens or closes school buildings, changes school attendance areas, or otherwise significantly change its enrollment to adjust the allocation of its compensatory revenue accordingly.

9 **Levy authority for certain unfunded severance and retirement costs.** Authorizes a school district that has participated in the cooperative secondary facilities program to levy for certain severance and retirement costs. Sets the maximum levy amount per consolidated districts at \$150,000 per year for each of the next 10 years. Requires the revenue received under this section to be reserved and spent only for severance and retirement costs.

10 **Notice to commissioner; forms.** Extends the notification date to the commissioner of revenue from October 7 to October 10, for those school districts that have reached an agreement with their home county auditor to certify their proposed property tax levy later as provided in section 2. This levy is used for the Truth-in-Taxation notice.

Effective July 1, 2007.

11 **Resolution requiring primary in certain circumstances.** Allows a school board to adopt a resolution by June 1 in any year to decide to choose school board nominees by a primary. Requires a district to hold a primary if the board decides to choose nominees by primary and there are more than two candidates for a board position or more than twice as many candidates as there are available at-large school board positions. Makes the resolution effective for all subsequent school board elections until the board revokes the resolution.

12 **Filing period.** Requires affidavits of candidacy to be filed between the 70th day and the 56th day before the first Tuesday after the second Monday in September in a general election year in those school districts that have adopted a resolution to choose nominees for a school board by a primary election. Requires affidavits of candidacy to be filed between the 70th day and the 56th day before the general election in all other school districts. Makes this section applicable to 2007 elections and later.

13 **Proposed levy.** Extends the certification date for the proposed levy by one week, from September 30 to October 7, for those school districts that have reached an agreement with their home county auditor to the delayed date. This levy is used by the county auditor in preparing Truth-in-Taxation notices.

Effective July 1, 2007.

14 **Overlapping jurisdictions.** Extends from October 5 to October 10 the date for the home county auditor to certify the proposed levy and the proposed local tax rate to the other county auditor(s) for taxing authorities lying in two or more counties.

Effective July 1, 2007.

15 **Department of Education report.** Directs the Education Department to submit a report to the legislature by January 15, 2008, analyzing the department's data collection procedures under its major data reporting systems and recommending a streamlined, web-based reporting system for school district data. Also requires an analysis of stand-alone school district reporting requirements and recommendations for eliminating duplicative reports.

16 **School nutritional programs.** Requires the commissioner of education to review the Appleton, Wisconsin school lunch enhancements that have resulted in positive impacts on special education outcomes and costs and present the results of the review to the legislature by January 15, 2008.

17 **Plainview-Elgin-Millville; fund balance calculations.** Removes the ECFE and school readiness fund balance penalties applied to the consolidated district of Plainview-Elgin-Millville for fiscal year 2007. Authorizes the school district to submit revised account information to the Department of Education for purposes of calculating the consolidated school districts fund balances.

18 Fund Transfers. Authorizes the following fund transfers.

Subd. 1. Brainerd. Authorizes Independent School District No. 181, Brainerd, to transfer up to \$750,000 from its operating capital account to its undesignated general fund balance.

Subd. 2. Campbell-Tintah. Authorizes Independent School District No. 852, Campbell-Tintah, to transfer up to \$100,000 from its operating capital account to its undesignated general fund balance.

Subd. 3. Jackson County Central. Authorizes Independent School District No. 2895, Jackson County Central, to transfer up to \$300,000 from its operating capital account to its undesignated general fund balance.

Subd. 4. Comfrey. Authorizes Independent School District No. 81, Comfrey, to transfer up to \$250,000 from its operating capital account to its undesignated general fund balance.

Subd. 5. Windom. Authorizes Independent School District No. 177, Windom, to transfer up to \$50,000 from its operating capital account to its undesignated general fund balance.

19 Appropriations. Appropriates money for:

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

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

20 Revisor instruction. Instructs the revisor of statutes to recodify section 123B.10, subdivision 1 as subdivision 1b (this puts the new subdivision 1a in front of the existing language).

Article 6: Libraries

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

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

Makes this section effective immediately.

3 Comprehensive library structure study. Direct the education commissioner to contract

with a qualified independent contractor to evaluate the structure and services of publicly funded libraries. Directs the commissioner to report to the legislature by January 15, 2009, and to recommend statutory changes required to create a more efficient library system.

- 4 **Department of education; library appropriations.** Appropriates money for basic system support grants, multi-county, multi-type library systems, an electronic Minnesota library, regional library telecommunications aid, and the Hennepin County/Minneapolis library systems merger.

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

Article 7: State Agencies

- 1 **Committees on American Indian education programs.**

Subd. 1. Establishment. Directs the education commissioner to establish representative American Indian education committees.

Subd. 2. Committees to advise commissioner. Directs the committees to advise the commissioner on administering programs governed by the state's American Indian Education Act and other programs for educating American Indian people.

Subd. 3. Expenses. Reimburses committee members for expenses. Directs the commissioner to determine the terms under which the committees function and causes the committees to expire by June 30, 2020.

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

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

Makes this section effective immediately.

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

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

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

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

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

Article 8: Education Forecast Adjustments

Overview

This article makes changes to fiscal year 2007 appropriations. These changes are included in the February 2007 forecast documents and are part of the budget base.

Article 9: Technical and Conforming Amendments

- 1 **Revenue.** Corrects an incorrect cross reference.
- 2 **Taxable property.** Strikes an obsolete statutory reference.
- 3 **Account transfer for statutory operating debt.** Strikes an obsolete statutory reference.
- 4 **Statutory operating debt.** Strikes an obsolete statutory reference.
- 5 **Debt elimination.** Strikes an obsolete statutory reference.
- 6 **Applicability.** Strikes obsolete statutory references.
- 7 **Net unreserved general fund balances.** Corrects an incorrect cross reference.
- 8 **Foundation staff.** Corrects education department office/division reference.
- 9 **Allocations from cooperative units.** Strikes an obsolete statutory reference.
- 10 **Local interagency agreements.** Corrects a federal law reference.
- 11 **Procedural safeguards.** Corrects federal law references.
- 12 **Complaint procedure.** Corrects a federal law reference.
- 13 **Interagency dispute procedure.** Corrects a federal law reference.

- 14 **Internet access for students.** Strikes an obsolete statutory reference.
- 15 **Training and experience index.** Fixes in time a reference to a statutory section since repealed.
- 16 **Pupil unit.** Strikes an obsolete statutory reference.
- 17 **Reporting.** Strikes an obsolete statutory reference.
- 18 **Telecommunications aid.** Corrects an incorrect reference to the education department.
- 19 **Repealer.** Repeals obsolete subdivisions no longer in effect due to the repeal of the provisions that are cross referenced the subdivisions.

Article 10: Pupil Transportation

Overview

This article aligns Minnesota's school bus standards with a more recent set of school bus standards adopted by the National Congress on School Transportation. Current standards are based on the 2000 Standards. This article requires school buses to meet the standards set forth in the document identified as the 2005 edition of the "National School Transportation Specifications and Procedures." By adopting the more recent standards, some of the state statutory exceptions and additions to the old standards can be eliminated or updated.

This article also clarifies a number of other policies and practices related to the operation of school buses.

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

available.

- 2 **Student training.** Clarifies that students taking driver's training instruction classes must receive appropriate information regarding school bus safety.
- 3 **District reports.** Allows a school district that has actual, known costs for certain transportation services to use those actual costs instead of allocating costs for purposes of certain school district transportation reports.
- 4 **School bus.** Conforms the definition of type A and type C school buses to the new national standards.
- 5 **Cellular phone.** Defines cellular phone.
- 6 **Personal cellular phone call prohibition.** Prohibits a school bus driver from using a cell phone for personal reasons when the school bus is in motion.
- 7 **Driver seat belt.** Requires all school buses and Head Start buses to have driver seat belts.
- 8 **National Standards adopted.** Conforms the state's school bus equipment standards to the 2005 (instead of 2000) "National School Transportation Specifications and Procedures."
- 9 **Applicability.** Makes the new standards apply to school buses manufactured after December 31, 2007.
- 10 **Electrical system; battery.** Raises the minimum amperage of school bus generators and alternators to 130 amperes.
- 11 **Identification.** Clarifies that after December 31, all type A, B, C, and D buses must display lettering that reads "Unlawful to pass when red lights are flashing."
- 12 **Seat and crash barriers.** Requires all school bus seats to have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point.
- 13 **Driver's license classifications, endorsements, exemptions.** Clarifies that a person may drive certain multifunctional school activity buses and certain type A school buses without a school bus endorsement.
- 14 **Exception for certain school bus drivers.** Clarifies that a person may drive a multifunctional school activity bus without a school bus endorsement. Clarifies that when a type A school bus is being driven by a driver without a school bus endorsement that the driver may not use the eight-light system. Clarifies that the bus drivers must be trained in the proper use of child safety restraint systems if child safety restraints are used by the passengers on the school bus.
- 15 **Training.** Allows a school bus driver to receive at least eight hours of school bus in-service training as an alternative to being assessed for bus driver competencies.
- 16 **Rules revised.** Grants the commissioner of public safety the authority to amend and adopt revisions to the listed rules under the good cause exemption to the state rulemaking process.
- 17 **Repealer.** Repeals the following effective January 1, 2008:

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

Article 11: Early Childhood Programs

- 1 **Distribution of appropriation.** Modifies statutes for distribution of Head Start programs; requires the commissioner to develop procedures to make payments based on the number of children reported to be enrolled during the required time of program operations. States requirements for such a procedure, including reporting schedules, corrective action plan

requirements, and financial consequences to be imposed. Requires reduction of subsequent allocations to programs reporting chronic under-enrollment. Envisions shifting of funds for these programs to fully enrolled programs.

- 2 **Application requirements.** Modifies what is required for plans from eligible Head Start organizations, requiring a plan for providing Head Start services in conjunction with full-day child care programs to minimize child transitions, increase program intensity and duration, and improve outcomes.
- 3 **Full-day requirements.** Requires a phase in of full-day services for Head Start programs or licensed childcare, with 25 percent by FY 2009; 40 percent by FY 2011; and 50 percent by FY 2013. Allows Head Start to provide full day services in their own program model or in cooperation with licensed full-day child care programs. Allows exemptions to be requested from the commissioner for stated reasons.
- 4 **Developmental screening program information.** Requires a school board's developmental screening notice to indicate that a family has a right not to have a child screened if the screening conflicts with a family's conscientiously held beliefs.
- 5 **Establishment; purpose.** Adds to the purpose clause for community education programs.
- 6 **Program requirements.** Amends the program requirements for early childhood family education programs. Amends the list of requirements for these programs.
- 7 **Teachers and coordinators.** Changes requirements for hiring teachers for early childhood education programs to require teachers licensed in early childhood or parent education, and also requires coordinators to meet at a minimum the teacher licensure requirements for ECFE teachers.
- 8 **Plan and program data submission requirements.** Requires a biennial plan be submitted for ECFE programs. Phases in submission of this plan, with one-half by April 1, 2009, and the other by April 1, 2010. Requires submission of annual program data before certification of a levy.
- 9 **Revenue.** Sets revenue for ECFE for FY 2008 at \$120 per child under age 5 residing in the district.
- 10 **Early childhood family education levy.** Removes outdated language, requires that beginning with levies in FY 2011, districts may not certify levies for programs not meeting annual reporting requirements.
- 11 **Use of revenue restricted.** Allows up to 10 percent of ECFE program revenue to be used to purchase equipment, materials, and specified instructional aids. Allows application for an exemption from this limit to the commissioner.
- 12 **State Advisory Board on School Readiness.** Creates an advisory board on school readiness, in the Office of the Governor. Specifies members, defines terms. Specifies duties of the board, including recommending changes and plans for coordinating and integrating state services. Further refines duties of the board. Allows separate working groups to be formulated. Requires a report from the task force annually by February 15th. Sunsets this provision by January 1, 2013.
- 13 **Amount of aid.** Removes outdated language. Sets the school readiness aid entitlement at \$10,095,000 for 2008 and later.
- 14 **Expanding department developmental assessment administered to entering kindergartners.** Requires the commissioner of education to encourage school districts to expand assessments of the voluntary school readiness kindergarten assessment to 30 percent of children during 2008-2009, and requires a report each year on the assessment results for the current year, by January 1.
- 15 **Targeted training of early childhood professionals to improve school readiness.** Establishes a training program for staff of school readiness programs, Head Start programs, and child care centers, to improve school readiness of pre-kindergarten children. Specifies content. Requires this be made available if possible throughout the state. Allows for

delivery of materials and training in other languages, and via the web.

- 16 **Early childhood scholarships.** Creates early childhood scholarships, establishes an application and award process; outlines how programs can become approved and how payments would be made to approved programs.
- 17 **Minnesota Early Learning Foundation.** Modifies the statutes creating MELF, removes language requiring the commissioner to establish MELF, and language describing MELF's board of directors, removes language subjecting the board to comply with various state laws, and specifying terms of membership. Makes the MELF board of directors subject to the data practices law. Makes numerous technical and minor substantive changes to duties of MELF. Delays expiration of this section to 2012. Creates a legislative advisory task force to meet with MELF regarding pilot programs for scholarships, created later in this bill. States membership of the task force.
- 18 **After-school community learning programs.** Establishes a competitive statewide after-school community learning grant program for programs serving youth after school or during non-school hours. States outcomes expected from grants, and plans that must be submitted to the commissioner from grant applicants.
- 19 **State total adult basic education aid.** Sets the state total adult basic education aid level at \$40,430,000; sets aside 4100,000 beginning FY 2008 for a GED online system of instructional delivery.
- 20 **Adult basic education program aid limit.** Increases aid per contact hour from \$21 to \$22. Establishes limits for program aid.
- 21 **General Education Development (GED) test fees.** Increases the amount of fees to be paid, to 75 percent of the fee charted to individuals, not to exceed \$75, except for homeless persons, who receive 100 percent of initial fees.
- 22 **Revenue amount.** Increases aid amount for a program for adults with disabilities.
- 23 **Aid.** Increases aid for a program for adults with disabilities.
- 24 **Levy.** Makes technical changes to the levy formula for adults with disabilities.
- 25 **Early Childhood Community Hub Planning and Implementation Grants.** Establishes a two-year grant program to create early childhood education hubs. Specifies eligibility and application procedures. Requires at least four hubs to be designated, from different areas of the state. Specifies program components. Requires applicants to submit plans. Requires each hub grantee to have an advisory committee of specified makeup. Requires an evaluation by February 15, 2010.
- 26 **Provisional Quality Rating System, Licensed Child Care.** Establishes a provisional quality rating system for FY 2009 only, for licensed childcare, if the provider certifies compliance with a list of specified actions and meets other criteria determined by the commissioner of human services.
- 27 **Provisional quality rating system, school readiness.** Establishes a provisional quality rating system for school readiness programs, if the provider certifies having met specified requirements, including criteria determined by the commissioner of education.
- 28 **Scholarship demonstration projects.** Establishes two scholarship demonstration projects, in rural Minnesota, to be run by MELF, and the Departments of Human Services and Education. Specifies eligibility and standards that must be met. Requires an eligibility process for families with incomes less than or equal to 185 percent of federal poverty guidelines. Operates the program during 2008 and 2009.
- 29 **Grant program to promote the healthy development of children and youth within their communities.** Establishes a program with the Search Institute to promote healthy development of children and youth.
- 30 **Appropriations.** Department of Education.
- 31 **Department of Health.** Appropriations.
- 32 **Repealer.** Repeals outdated ABE language in section 124D.531, subdivision 5.

