

HOUSE RESEARCH

Bill Summary

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Overview

This bill is the omnibus K-12 education bill. The bill contains education finance and policy proposals for the 2014-2015 biennium.

The bill contains \$550 million more in spending than the current law base budget. Major funding components include a basic formula allowance (2 percent per year), funding for voluntary all-day kindergarten, enhanced equalization aid, increased money for early learning scholarships, and several other funding changes.

Major policy initiatives include a series of assessments to replace the reading, math, and writing GRAD tests, an achievement and integration program, a strategic student achievement and budget plan to create the world's best workforce by 2027, and a teacher licensure advisory task force charged with recommending how teacher candidates best demonstrate mastery of basic reading, writing, and math skills, among other K-12 education policy proposals.

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Article 1: General Education

Overview

This article modifies general education revenue calculations. The bill increases the formula allowance by 2 percent per year (up \$104 per pupil unit in fiscal year 2014 and a total of \$209 per pupil over base in fiscal year 2015); funds voluntary full-day kindergarten beginning in fiscal year 2015, enhances the equity revenue formula for districts with no voter-approved referenda, increases referendum revenue equalization aid, and adds \$5 per pupil to the safe schools levy.

- 1** **Age limitations; pupils.** Requires a prospective kindergarten student who is under the age of five when enrolling in kindergarten to meet admission standards specified in section 124D.02.
Effective date: July 1, 2013.
- 2** **Length of school year.** Requires a school district to have a least 165 days of instruction in each school year unless the commissioner of education has approved an alternative calendar for the district.
- 3** **Elementary pupils.** Clarifies that full-day kindergarten pupils are counted as 1.0 pupils for purposes of nonpublic pupil aid.
- 4** **PSEO pupil transportation.** Allows school districts to transport PSEO pupils to and from the postsecondary institution if the pupil is participating in an articulated program.
- 5** **Pupil transportation definitions.** (b) For purposes of calculating the cost to a school district of providing transportation to children with disabilities and computing special education initial aid, allows a school district to transport a child who does not have a school of origin to the same school attended by that child's sibling if the siblings are homeless.
- 6** **District reports; transportation data.** Allows a school district that contracts for transportation services to allocate certain transportation expenses based on contract rates under certain circumstances.
- 7** **Kindergarten instruction.** Requires a school board that has adopted a policy to allow a child under the age of five to enroll in kindergarten to establish a comprehensive evaluation to be used to determine the kindergarten pupil's cognitive, social, and emotional development. Requires parents and the commissioner to have access to the board's early kindergarten admission policy.
Effective date: July 1, 2013.
- 8** **Commissioner designation.** Eliminates the ability of a school district to use learning year program revenue (under the extended time statute) for accelerated grade level advancement.

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- 9 Career and technical levy.** Clarifies the expenditure calculations for career and technical programs offered jointly by school districts (beginning with taxes payable in 2015, the career and technical levy formula is based solely on 35 percent of approved program expenditures).
- 10 Referendum market value equalizing factor.** Defines the referendum market value equalizing factor as the statewide ratio of total referendum market value to total referendum marginal cost pupil units.
- 11 Pupil unit.** Funds full-day kindergarten by increasing the kindergarten pupil rate from .612 to 1.0 pupil units for each full-time kindergarten pupil. Continues to fund half-day kindergarten students at .612 pupil units.
- 12 Learning year pupil unit.** Clarifies that a kindergarten pupil is considered to be a full-time pupil if that pupil receives at least 850 hours of instruction during the year.
- 13 General education revenue.** Redefines general education revenue by removing an obsolete reference to training and experience revenue.
- 14 Basic revenue.** Increases the formula allowance by \$104 to \$5,328 per pupil unit in fiscal year 2014 and by an additional \$109 per pupil to \$5,433 for fiscal years 2015 and later.
- 15 Uses of operating capital revenue.** Clarifies the uses of operating capital revenue by defining textbooks and excluding annual licensing fees from the uses of operating capital (annual licensing fees would be required to be paid from undesignated general education revenue).
- 16 Equity revenue.** Modifies equity revenue by increasing the equity revenue for districts with small or no referendum amounts. Sets this part of the formula equal to the greater of zero or the difference between \$300 and the district's current amount of referendum revenue per pupil.
- 17 Equity levy.** Increases the aid portion of equity revenue by raising the equity levy equalizing factor from \$476,000 to 122 percent of the referendum market value equalizing factor (\$526,137).
- 18 Transition levy.** Increases the aid portion of transition revenue by raising the transition levy equalizing factor from \$476,000 to 122 percent of the referendum market value equalizing factor (\$526,137).
- 19 Uses of revenue; basic skills.** Allows basic skills revenue to be used for programs designed to prepare children for entry into school including early education programs, parent-training programs, school readiness programs, early kindergarten programs for four-year olds, and voluntary home visits and other outreach efforts.
- 20 Building allocation.** Authorizes a school board to spend up to 5 percent of total compensatory revenue on early education programs. Adds this authority to the board's authority to spend 5 percent of total compensatory revenue at sites at its discretion (the remaining 90 percent of compensatory revenue must be spent at the site where the revenue is

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generated).

- 21 Referendum allowance.** Adjusts each district's referendum revenue allowance to reflect the larger number of pupils created by funding kindergarten pupils at 1.0 count so that each district's referendum revenue remains unchanged.
- 22 Referendum equalization revenue.** Removes obsolete language.
- 23 Referendum equalization levy.** Increases the aid portion of referendum revenue by raising the first tier equalizing factor from \$476,000 to 122 percent of the referendum market value equalizing factor (\$526,137) and raising the second tier equalizing factor from \$270,000 to 66 percent of the referendum market value equalizing factors (\$284,631).
- 24 Lease purchase; installment buys.** Clarifies that the four school districts that are associated with first-class cities (Minneapolis, St. Paul, Duluth, and Rochester) may continue to use the lease purchase levy if their desegregation plans have been approved by the commissioner. Allows other districts to use the lease purchase levy for projects that are primarily used for interdistrict desegregation efforts.
- 25 Safe schools levy.** Increases the safe schools levy by \$5 per pupil unit for taxes payable in 2014 and later. Expands the uses of the levy to include facility security enhancements, efforts to improve the school climate, and costs associated with mental health services.
- 26 Taconite payment and other reductions.** Fixes the school share of the portion of the taconite production tax that is used for property tax relief under this section at 95 percent of the total property tax relief for that year, and directs the other 5 percent to the cities and townships located within that school district (under current law, the school share was declining each year).
- 27 Alternative attendance programs.** Defines "unreimbursed cost of providing special education and services." Beginning in fiscal year 2015, allows a serving school district to recover 90 percent of its unreimbursed special education costs from the resident school district (current law allows the serving district or charter school to recover 100 percent of its unreimbursed special education costs). Keeps the 100 percent reimbursement in place for cooperatives, intermediates, and charter schools where at least 70 percent of the enrollment qualifies for special education services. Removes obsolete language.
- 28 Equity aid; fiscal year 2014.** Requires that the increase in equity revenue for fiscal year 2014 be paid entirely in state aid.
- 29 Appropriations.** Appropriates money for the following general education programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
- ▶ general education aid
 - ▶ enrollment options transportation
 - ▶ abatement revenue
 - ▶ consolidation revenue

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- ▶ nonpublic pupil education aid
- ▶ nonpublic pupil transportation
- ▶ one-room schoolhouse
- ▶ compensatory revenue pilot project

30 Repealer. Repeals the following July 1, 2013:

- ▶ 126C.17, subd. 13 – referendum revenue conversion allowance from FY 2002

Article 2: Student Accountability

Overview

This article proposes a series of assessments to replace the GRAD tests, a strategic student achievement and accountability plan process to create the world's best workforce, and an adult high school diploma, among other accountability measures.

1 Definitions. Defines academic standard, career and college ready benchmark, credit, elective standard, required standard, and school site to clarify educational expectations for Minnesota students.

2 Educational expectations and graduation requirements for Minnesota's students.

Subd. 1. Educational expectations. Strikes language to conform with the proposed definitions.

Subd. 2. Graduation requirements. Requires students to complete state and locally-required credits and demonstrate attainment of required academic standards and career and college readiness benchmarks on a nationally normed college entrance exam in order to graduate from high school. Requires districts to adopt graduation requirements that meet or exceed the state requirements.

Makes this section effective August 1, 2013, and applicable to students entering 8th grade in the 2013-2014 school year and later.

3 Required academic standards. Makes technical and conforming changes.

4 Benchmarks.

Subd. 1. Benchmarks implement, supplement statewide academic standards. Makes technical and conforming changes regarding career and college readiness assessments.

Subd. 2. Revisions and reviews required. Requires the commissioner to review and revise state academic standards and related benchmarks on a six-year cycle. Directs the commissioner to include the contributions of Minnesota's American Indian

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tribes in the required academic standards. Strikes obsolete provisions.

5 **Credits.**

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

Subd. 2. Credit equivalencies. Allows a one-half credit of economics taught in an agriculture education or business department to fulfill a one-half credit in social studies.

Makes this section effective August 1, 2013.

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

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

Makes this section effective immediately.

7 **Educational planning and assessment system (EPAS) program.** (c) Allows students enrolled in grade 8 through the 2012-2013 school year who have not demonstrated proficiency on the MCAs, the GRAD tests, or the basic skills tests before high school graduation to satisfy state high school graduation requirements in reading, math, and writing by taking the reading, math, or writing GRAD test, the WorkKeys job skills assessment, the Compass computer-adaptive college placement test, or the ACT assessment for college admission.

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

Makes this section effective immediately and applicable through the 2013-2014 school year.

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

9 **Statewide testing.** (a) Directs the education commissioner to make computer-adaptive reading and math assessments for students in grades 3 through 7 part of Minnesota's comprehensive assessment system. Declares that for students enrolled in grade 8 in the 2005-2006 through 2012-2013 school year, their state graduation requirements include the

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requirements under:

(1) section 7 of this article, paragraph (c);

(2) paragraph (c) of this section; or

(3) current law governing the GRAD tests.

(c) Makes students in grade 8 in the 2013-2014 school year and later subject to state graduation requirements based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation.

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

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

(1) attain required academic standards and career and college readiness benchmarks, as demonstrated on a nationally normed college entrance exam or take a nationally recognized armed services vocational aptitude test;

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

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

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

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

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

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

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

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

Directs the education commissioner, after consulting with the Minnesota State Colleges and Universities chancellor and using a request for proposal process, to contract for a series of assessments that are consistent with this subdivision, are aligned with state academic standards, and include career and college benchmarks. Requires math, reading, and writing assessments for students in grades 8 and 10 and 11 or 12 to be predictive of and nationally normed for career and college readiness, nationally recognized as a college entrance exam, include a college placement diagnostic exam, and contain career exploration elements.

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

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

(2) Requires students whose growth in academic achievement between grades 8 and 10 shows adequate progress toward meeting state career and college readiness to be given the college entrance exam part of these assessments in grade 11 or a nationally recognized armed services vocational aptitude test. Declares that a student who demonstrates attainment of required state academic standards, including career and college readiness benchmarks, on these assessments is academically ready for a college or career. Encourages such students to participate in courses and programs awarding college credit to high school students. Declares that such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(3) Requires all students in grade 11 not subject to clause (2) to be given the college placement diagnostic exam so that the students, their families, the school, and the district can use the results to diagnose areas for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for the student to graduate and have a reasonable chance to succeed in a career or college without remediation.

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Requires these students to be given the college entrance exam part of these assessments in grade 12 or a nationally recognized armed services vocational aptitude test.

(4) Declares students subject to clause (3) who demonstrate (i) attainment of required state academic standards, including career and college readiness benchmarks on these assessments, (ii) attainment of career and college readiness benchmarks on the college placement diagnostic part of these assessments, and where applicable (iii) successfully complete targeted instruction, intervention, or remediation approved by the education commissioner and the Minnesota State Colleges and Universities chancellor after consulting with local school officials and educators to be academically ready for a career or college. Encourages such students to participate in courses and programs awarding college credit to high school students. Declares that such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

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

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

(f) Requires a school, district, or charter school to record a student's progress toward career and college readiness on the student's high school transcript.

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

(i) Requires third through seventh grade computer-adaptive assessments to be aligned with state academic standards.

(j) Makes computer-adaptive assessment results for students in grades 3 through 7 part of the statewide public reporting system.

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

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year and later.

- 10** **Statewide and local assessments; results.** (a) For purposes of administering computer-adaptive assessments in reading and math to students in grades 3 through 7 beginning in the 2015-2016 school year, defines computer-adaptive assessments, fully-adaptive assessments, on-grade level, above-grade level, and below-grade level.
- (b) Directs the commissioner to use fully adaptive tests math and reading assessments for grades 3 through 7 beginning in the 2015-2016 school year.
- (c) Directs the commissioner to implement computer-adaptive reading and math assessments for grades 3 through 7.
- (d) Directs the commissioner to ensure that: (1) individual student performance data and achievement and summary reports are available within three school days; (2) individual student growth data are available from school year to school year; (3) parents and educators are able to use elementary and middle school student performance data to project student secondary and postsecondary achievement; and (4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to improve student instruction.
- (f), (g), (h) Make conforming and technical changes.

Makes this section effective for the 2013-2014 school year and later except the requirements governing computer-adaptive reading and math assessments for grades 3 through 7 apply in the 2015-2016 school year and later.

- 11** **Educational accountability and public reporting.** Makes a conforming change.

- 12** **State growth target; other state measures.** (e) Directs the education commissioner, beginning July 1, 2015, to identify and report measures that demonstrate the success of school districts, charter schools, and alternative program providers in improving the graduation outcomes of students who are at-risk of not graduating and students who are off-track to graduate. Requires the commissioner to annually report summary data on:

- (1) the four and six-year graduation rates of these students, including students who participate in an alternative program or the graduation incentives program; and
- (2) the success that school districts, charter schools, and alternative program providers experience in identifying at-risk and off-track students, providing successful prevention and intervention strategies for at-risk students, and providing successful recuperative and recovery or re-enrollment strategies for off-track students.

For purposes of paragraph (e), defines a student who is at-risk of not graduating as an 8th or 9th grade student who meets one or more criteria:

- first enrolled in an ELL program in 8th or 9th grade and may be older than other students in the same grade;
- as an 8th grader, is absent for at least 20 percent of school days, is 2 or more years

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older than other students in the same grade, or fails multiple core academic courses;
or

- as a 9th grader, fails multiple 9th grade core academic courses.

For purposes of paragraph (e), defines a student who is off-track to graduate as a student who meets one or more criteria:

- first enrolled in an ELL program in high school and is older than other students in the same grade;
- is a returning dropout;
- is 16 or 17 and two or more academic years off-track to graduate;
- is 18 or older and two or more academic years off-track to graduate; or
- is 18 or older and may graduate within one school year.

Makes paragraph (e) applicable to data collected in the 2014-2015 school year and later and reported annually beginning July 1, 2015, consistent with the recommendations the commissioner receives from recognized and qualified experts.

- 13 School performance reports.** Makes the percentage of students whose progress and performance levels are meeting college and career readiness benchmarks and longitudinal data on district and school progress in reducing disparities in students' academic achievement additional components of Minnesota's school performance reports. Refers to reports, not report cards.

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

- 14 Standard high school diploma for adults.** (a) Directs the education commissioner to adopt rules for providing a standard adult high school diploma to adults who are not eligible for K-12 services, do not have a high school diploma, and successfully complete a commissioner-approved adult basic education program of instruction needed to earn an adult high school diploma.

(b) Requires adult basic education program participants to demonstrate proficiency in a standard set of competencies sufficient to ensure that postsecondary programs and institutions and potential employers regard persons holding a standard high school diploma and persons holding a standard adult high school diploma to be equally well prepared and qualified graduates. Requires approved adult basic education programs to issue a standard adult high school diploma to qualified persons.

Makes this section effective immediately.

- 15 Minnesota's best workforce.**

Subd. 1. Goals for the world's best workforce. Requires Minnesota to strive to create the world's best workforce by 2027 by: closing the academic achievement gap;

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achieving a 100 percent high school graduation rate; achieving 100 percent grade-level literacy for third grade students; and having 100 percent of students attain career and college readiness before graduating from high school.

Subd. 2. Strategic plans for attaining the world's best workforce. (a) Directs school boards to develop and implement a comprehensive, long-term strategic education and budget plan for student achievement premised on research-based strategies and efforts needed for a district and school to make progress toward realizing the goals stated in subdivision 1. Requires the plan to identify structures, systems and strategies, practices, and partnerships needed to work effectively and efficiently toward making all students part of the world's best workforce by 2027.

(b) Allows components of a board plan to include innovative and integrated preK-12 learning environments that offer enrollment choices, family engagement initiatives, professional development opportunities, increased programmatic opportunities focused on rigor and career and college readiness for all students, and recruitment and retention of teachers and administrators with diverse backgrounds. Requires the plan to include formative assessment practices and other instructional best practices that inform interventions, improve student achievement, reduce disparities in students' academic performance, and foster students' career and college readiness.

(c) Requires a regional center of excellence, upon request, to assist a school board with its strategic plan for student achievement.

Subd. 3. Budgeting process. (a) Beginning in the 2014-2015 school year, requires a school board to hold an annual hearing by March 1 to publicly report its progress in realizing its student achievement goals, to review its plan, and to revise the plan where needed. Requires the board to provide the public with at least three years of longitudinal data demonstrating district and school progress in realizing its student achievement goals. Requires the board to provide a 30-day notice of the hearing on the district Web site. Requires the board to submit its strategic education and budget plan for student achievement in an electronic format to the commissioner and its regional center of excellence also by March 1.

(b) Requires the board to base its longitudinal data on one or more of the following measures and to report the data for all students and specific groups of students: third grade literacy rates; reductions in the achievement gap among specific groups of students; high school graduation rates; rigorous course completion rates; career and college readiness rates; rates at which high school students acquire postsecondary course credits; and rates of awarding language proficiency certificates.

(c) For the 2013-2014 school year only, and after providing a 30-day notice on the district Web site, requires a board to hold a formal hearing before March 1, 2014, to inform the public about its proposed strategic plan for student achievement. Requires the board to also submit its plan in an electronic format to the commissioner and its regional center of excellence by March 1.

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Subd. 4. Regional support. (a) Establishes regional centers of excellence to assist and support school boards, school districts, and charter schools in implementing this section. Requires the centers to collaborate with service cooperatives, postsecondary institutions, school districts, the department, and other interested entities to support school boards, school districts, and schools throughout the region. Allows center support to include assistance with common principles of effective practice, measureable education goals, evidence-based practices, data-driven decision making, multi-layered levels of support, culturally responsive teaching and learning, state and local academic standards and career and college ready benchmarks, and engagement of families and communities.

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

Subd. 5. Evaluation. (a) Directs the commissioner and each center to collaborate in evaluating the success of districts and schools and to promote and disseminate successful strategies to other districts and schools.

(b) For districts not making adequate progress, allows the department, after consulting with the affected center, to withhold up to four percent of the district's basic general education revenue per fiscal year and to transfer that amount to the affected center for the center to use in helping the district realize its student achievement goals.

(c) For a district that receives three years of assistance under paragraph (b), allows the commissioner, after consulting with the affected center and district, to identify a school as persistently failing to make adequate progress in realizing its student achievement goals, and to require that school to implement a turnaround strategy.

Makes this section effective for the 2014 fiscal year and later.

- 16 Statewide assessment and accountability; transition.** Makes students enrolled in grade 8 in the 2005-2006 through 2012-2013 school year eligible to be assessed under (1) the proposed assessments for career and college readiness, to the extent these exams are available, (2) a college placement diagnostic exam, (3) other exams under section 7 of this article, (4) current law governing the GRAD tests. Declares that other measures of statewide accountability, including student performance, preparation, rigorous course taking, engagement and connection, and transition into postsecondary education or the workforce remain in effect.

Makes this section effective immediately.

- 17 Career pathways and technical education advisory task force.**

Subd. 1. Recommendations. Establishes an advisory task force to recommend to the legislature how to structurally redesign secondary and postsecondary education to improve the secondary and postsecondary outcomes for students and adult learners,

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align secondary and postsecondary programs and Minnesota's workforce needs, and measure and evaluate the combined efficacy of public K-12 and postsecondary education programs.

(b) Directs task force members to seek advice from educators, employers, policy makers, and other stakeholders and consider how to: better inform students about career options and ensure a skilled Minnesota workforce; develop and revise an education and work plan for each student; improve monitoring of students' progress with targeted interventions and support and remove the need for remedial instruction; increase and accelerate high school students' opportunities to earn postsecondary credits leading to a certificate, license, or degree; better align secondary and postsecondary courses and expectations; better align high school standards and assessments, postsecondary readiness measures and entrance requirements, and the expectations of Minnesota employers; increase postsecondary completion rates; and provide postsecondary graduates with the skills needed for civic engagement, ongoing employment, and continuous learning.

Subd. 2. Task force membership and operation. (a) Lists task force members. Directs the education commissioner, or the commissioner's designee, to convene the task force.

(b) Directs the education commissioner to provide technical assistance upon request.

(c) Directs the task force to submit its recommendations to the legislature by February 15, 2014.

Makes this section effective immediately.

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

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

(c) Directs the commissioner to convene the task force. Prohibits task force members from receiving compensation or reimbursement for task force activities. Directs the commissioner to provide technical assistance to the task force upon request.

(d) Directs the task force by February 1, 2014 to submit to the commissioner its recommendations on providing a standard adult high school diploma to qualified persons. Directs the commissioner to consider these recommendations when adopting rules under section 1.

Makes this section immediately effective.

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19 **Implementing differentiated graduation rates and exploring alternative routes to a standard diploma for at-risk and off-track students.** (a) Directs the education commissioner to consult with recognized and qualified experts and stakeholders on improving differentiated graduation rates and establishing alternative routes to a standard high school diploma for at-risk and off-track students. Directs the commissioner to consider and recommend to the legislature (1) research-based measures that demonstrate the academic success of and the costs to school districts, charter schools, and alternative program providers in improving the graduation outcomes of at-risk and off-track students and (2) state and local options for establishing alternative routes to a standard diploma, consistent with Minnesota's statewide educational accountability system and the statutes governing the graduation incentives program and other alternative programs. Directs the commissioner to also identify highly reliable variables that generate the summary data, including: who initiates and approves a request for an alternative route; parameters for the alternative route process, including whether a student must first fail a state exam; the comparability of the academic and achievement criteria in the alternative and standard routes for a standard diploma.

(b) Directs the commissioner to consult with stakeholders from state-approved alternative programs, online programs, charter schools, school boards, teachers, metropolitan school districts, rural educators, university and college faculty, superintendents, principals, and the public.

(c) Directs the commissioner to submit recommendations by February 15, 2014, to the education committees of the legislature for:

- measuring and reporting differentiated graduation rates for at-risk and off-track students and the success and costs that school districts, charter schools, and alternative program providers experience in identifying and serving at-risk and off-track students; and
- establishing alternative routes to a standard diploma.

Makes this section effective immediately and applicable to school performance reports beginning July 1, 2015.

20 **Appropriations.** Appropriates \$17,550,000 in fiscal year 2014 and \$20,079,000 in fiscal year 2015 to the education department for the statewide testing and reporting system. Allows any remaining balance in fiscal year 2014 to carry forward. Appropriates \$829,000 in fiscal year 2014 for the EPAS program.

21 **Revisor's instruction.** Directs the revisor to make certain technical changes.

22 **Repealer.** (a) Repeals rules governing K-12 English language arts standards made obsolete by the revised English language arts standards adopted in 2012.

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

Makes this section effective immediately.

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Article 3: Education Excellence

Overview

This article proposes to establish an achievement and integration plan, a teacher licensure advisory task force to recommend how teacher candidates best demonstrate mastery of basic skills, and more American Indian involvement and input into the education process, among other proposals for excellence.

- 1 School calendar.** Strikes language prohibiting school districts from beginning the school year before Labor Day. Allows school districts to begin the school year before Labor Day but prohibits holding school on the Thursday and Friday immediately before Labor Day.

Makes this section effective for the 2013-2014 school year.
- 2 School Climate Council.**
 - Subd. 1. Establishment and membership.** Establishes a multiagency leadership council to improve schools' climate and safety. Includes on the council: representatives from the Departments of Education, Health, Human Rights, Human Services, Public Safety, Corrections, and the Office of Higher Education; one representative each from the Board of Teaching, Board of School Administrators, Elementary Schools Principals Association, Secondary Schools Principal's Association, and Education Minnesota; two representatives for student support personnel, parents, and students; two representatives from law enforcement; and two representatives from the judicial branch.
 - Subd. 2. Duties.** Assigns duties to the School Climate Council, including establishing standards for preventing bullying, harassment, and intimidation, advancing best practices for school climate and safety, and developing resources and training for schools.
- 3 School Climate Center.** Establishes a School Climate Center within the Department of Education. Requires the center to provide policy guidance to schools, disseminate information to schools on restorative practices and teaching strategies, provide culturally appropriate technical assistance to schools, serve as a resource center for those seeking assistance, develop Web-based training, collect school climate data, and sponsor a statewide conference on school climate and school safety issues.
- 4 Exclusions.** Excludes epinephrine auto-injectors from the general requirements for administering drugs and medicines in school, which are: consistent with instructions on the label; and according to school board procedures developed in consultation with health care providers.
- 5 Possession and use of epinephrine auto-injectors; model policy.**
 - Subd. 1. Definitions.** Defines "administer," "epinephrine auto-injector," and

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“school,” which includes public schools and nonpublic schools subject to the federal Americans with Disabilities Act and excludes home schools, for purposes of this section.

Subd. 2. Plan for use of epinephrine auto-injectors. (a) Requires an annual plan for a student-prescribed epinephrine auto-injectors to allow the student to possess or have immediate access to epinephrine auto-injectors in school.

(b) Encourages nonpublic schools not subject to the federal Americans with Disabilities Act to develop a similar plan for students requiring epinephrine auto-injectors.

(d) Allows the state model policy to require an assessment of a student’s ability to safely possess epinephrine auto-injectors, accommodate students’ need to possess or have immediate access to epinephrine auto-injectors, and ensure that epinephrine auto-injectors are properly labeled.

(e) Makes a technical change.

6 Life-threatening allergies in schools; stock supply of epinephrine auto-injectors.

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

Subd. 2. Arrangements with manufacturers. Allows contracts with manufacturers of epinephrine auto-injectors to obtain epinephrine auto-injectors at fair market, free, or reduced prices. Allows third parties to pay for the costs of epinephrine auto-injectors intended for schools.

7 License and rules. (b) Allows the Board of Teaching to issue up to three additional temporary one-year teaching licenses to an otherwise qualified candidate who has not passed the skills exam.

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

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

(c) Allows the Board of Teaching to renew a temporary license if the school district employing the licensee requests that the licensee continue to teach in the district under a

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temporary license.

Makes the section effective immediately.

- 9 Applicants licensed in other states.** (f) Allows the Board of Teaching to issue up to three temporary, one-year teaching licenses to an otherwise qualified out-of-state applicant who has not passed the basic skills exam and allows the board to renew the license if the school district employing the applicant requests that the applicant continue to teach for the district under a temporary license.

Makes this section effective immediately.

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

Makes this section effective August 1, 2013.

- 11 Notice of nonrenewal; opportunity to respond.** Prohibits a school board from declining to renew a coach's contract based solely on the existence of parent complaints.

Makes this section effective immediately.

- 12 Staff development revenue.** Allows districts to use the two percent of basic revenue set-aside for staff development for teachers' evaluation, among other purposes.

Makes this section July 1, 2013.

- 13 Online and Digital Learning Advisory Council.** (a) Increase the number of council members from 12 to 15. Requires two council members to the technology business. Requires the other council members to represent school superintendents, special education specialists, technology directors, teachers, school districts from throughout Minnesota, full-time and supplemental programs, consortia, charter schools, teacher preparation programs, and parents.

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

(d) Directs the council to provide input to the department and the legislature on digital learning matters such as maximizing the effectiveness of technology and related instruction in improving student outcomes, effectively using technology to advance students' 21st century knowledge and skills and involve parents in helping their students make good educational decisions, using technology to individualize student learning, providing educators with professional development and collaborative best practices, collaborating to leverage resources for digital learning, improving technology use in the classroom, and addressing geographic disparities in digital education.

(e) Directs the council to make annual policy recommendations to the education

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commissioner and the legislature.

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

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

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

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

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

Makes this section effective July 1, 2013.

16 English learner. Allows use of appropriate assessment instruments aligned to state standards for English language development to measure a pupil's emerging academic English.

Makes this section effective for revenue for fiscal year 2014 and later.

17 General requirements for programs. Requires a district's educational program for English learners to include program entrance criteria. Requires the program exit criteria to be equivalent to the emerging academic English measures on state assessments for English language development.

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

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

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

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

21 Achievement and integration for Minnesota.

Subd. 1. Program to close the academic achievement and opportunity gap. (a) Establishes a program to promote diversity, pursue racial and economic integration, and increase student academic achievement and equitable educational opportunities in

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Minnesota public schools. Requires the program to serve students from diverse backgrounds and locations.

(b) Defines “eligible district” to mean a district required to submit a plan to the education commissioner under Minnesota Rules governing school desegregation and integration.

(c) Allows eligible school districts to use achievement and integration revenue to pursue racial and economic integration in schools through (1) in-school educational practices and integrated learning environments and (2) policies, curricula, and advocates to support these practices and environments, which must promote increased student academic achievement, cultural fluency, graduation and educational attainment rates, and parent involvement.

Subd. 2. Plan components. (a) Directs the school board of each eligible school district to develop and implement a long-term plan using collaborative structures and systems, in-school strategies, inclusive best educational practices, and partnerships with higher education institutions and industries. Provides examples of plan components including innovative and integrated preK-12 learning environments that offer enrollment choices, family engagement initiatives, professional development opportunities, increased programmatic opportunities focused on rigor and college and career readiness for underserved students, and recruitment and retention of teachers and administrators with diverse backgrounds. Requires the plan to specify district and school goals for reducing the disparity in academic achievement among all racial and ethnic categories of students and promoting racial and economic integration over time.

(b) Requires an eligible district to implement a cost-effective, research-based intervention that includes formative assessment practices to reduce the disparity in student academic achievement between the highest and lowest performing racial and ethnic categories of students as measured by students’ proficiency on state reading and math assessments.

(c) Requires eligible districts to collaborate in creating efficiencies and eliminating duplication of programs and services under this section, which may include forming a single, seven-county metropolitan areawide partnership of school districts.

Subd. 3. Biennial progress; budget process. (a) As a condition of receiving achievement and integration revenue, requires the school board of an eligible district to hold at least one formal hearing by March 1 in the year preceding the current biennium to report to the public its progress in realizing the goals identified in its plan. Requires the school board to provide the public with longitudinal data showing district and school progress in reducing the disparity in academic achievement among all racial and ethnic categories of students and in promoting racial and economic integration. At least 30 days before the formal hearing, requires the board to post on the district Web site longitudinal data on district and school progress in reducing disparities in students’ academic achievement. Also requires the district to submit to the education commissioner by March 1 in the year preceding the current biennium a detailed

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biennial budget for continuing to implement its plan; requires the commissioner to review and approve or disapprove the plan by June 1 in that same year.

(b) Lists six measures districts may use to comply with the requirement for longitudinal data, including the number of world language proficiency or high achievement certificates, student growth and progress toward proficiency in reading or math, adequate yearly progress, preparation for postsecondary academic and career opportunities, completion of rigorous course work, or school safety and student engagement and connection at school.

Subd. 4. Evaluation. Directs the education commissioner to evaluate the efficacy of district plans in reducing the disparity in academic achievement among all racial and ethnic categories of students and report the commissioner's findings to the legislature by February 1 every fourth year beginning February 1, 2017.

Makes this section effective for fiscal year 2014 and later.

22 **Achievement and integration revenue.**

Subd. 1. Eligibility. Makes school district eligibility for achievement and integration revenue contingent upon the district having a commissioner-approved biennial achievement and integration plan.

Subd. 2. Achievement and integration revenue. (a) Establishes an achievement and integration revenue formula equal to the sum of (1) \$350 times the district's pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year, and (2) the greater of zero or 65 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) Transfers .2 percent of a district's achievement and integration revenue to the education department for oversight and accountability activities.

(c) Reduces by five percent the revenue of a district that does not meet its achievement goals.

(d) Proportionally reallocates any revenue saved under paragraph (c) to those districts meeting their achievement goals.

Subd. 3. Achievement and integration aid. Declares that a district's achievement and integration aid equals 70 percent of its achievement and integration revenue.

Subd. 4. Achievement and integration levy. Declares that a district's achievement and integration levy equals the difference between its achievement and integration revenue and its achievement and integration aid. For the Minneapolis, St. Paul, and Duluth school districts, requires 100 percent of the levy certified under this subdivision to be shifted into the prior calendar year.

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Subd. 5. Incentive revenue. Establishes \$10 per pupil unit as a district's maximum incentive revenue. In order to receive this revenue, requires a district to have implemented a voluntary plan to reduce racial enrollment disparities through intradistrict and interdistrict activities that are part of a commissioner-approved district plan.

Subd. 6. Revenue reserved. Reserves and allows achievement and integration revenue to be used only for programs under subdivision 7.

Subd. 7. Revenue uses. (a) Requires at least 80 percent of achievement and integration revenue to be used for innovative and integrated learning environments, school enrollment choices, family engagement activities, and other approved programs directing serving students.

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

(c) Limits administrative expenditures to no more than ten percent of the total amount of revenue spent.

Makes this section effective for fiscal year 2014 and later.

23 Teacher licensure advisory task force. (a) Establishes an advisory task force to make recommendations to the Board of Teaching, the education commissioner, and the legislature on requirements for: teacher candidates to demonstrate mastery of basic skills in reading, writing, and math; and an alternative licensure pathway for nonnative English speakers seeking licensure to teach in a language immersion program.

(b) Requires task force recommendations to encompass certain criteria: assessment content must be relevant to a teacher's licensure area; the scope of assessment content must correspond to school curriculum; the scope of assessment content must be publicly available and readily accessible on the website of the Board of Teaching and teacher preparation programs and institutions; the Board of Teaching and teacher preparation programs and institutions must make available a written review of the scope of content, upon request and without charge; if applicable, the board of teaching and teacher preparation programs and institutions must make available longitudinal summary data on the passing rates of teacher candidates taking a basic skills exam; evidence showing assessment content is not culturally biased; the board of teaching and teacher preparation programs and institutions must appropriately accommodate teacher candidates with documented disabilities; and, if applicable give timely feedback to teacher candidates who do not pass a basic skills exam so they may target areas of deficiency for remediation.

(c) Includes on the task force two members of the board of teaching; two representatives of the Minnesota Department of Education; two house members and two state senators; one rural elementary school principal and one urban secondary school principal; one elementary school teacher and one secondary school teacher appointed by Education Minnesota; one teacher preparation faculty member each from the University of Minnesota, the Minnesota

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State Colleges and Universities, and the Minnesota Private Colleges and Universities; one member of the nonpublic education council; and one charter schools representative.

(d) Directs the executive director of the Board of Teaching and the commissioner of education jointly to convene the task force by August 1, 2013. Makes task force members ineligible for compensation or reimbursement for expenses related to task force activities. Directs the executive director of the Board of Teaching and the education commissioner to provide technical assistance upon request.

(e) Directs the task force to submit written recommendations to the Board of Teaching, the education commissioner, and the legislature by February 1, 2014, on requirements for teacher applicants to demonstrate mastery of basic skills in reading, writing, and math and for an alternative licensure pathway for nonnative English speakers seeking licensure to teach in a language immersion program.

Makes this section effective immediately.

24 School Climate Center; first-year priorities. (a) Requires that in its first year of operation, the School Climate Center focus on five priorities:

- (1) working in partnership with others to establish and staff the School Climate Council;
- (2) developing a model bullying and intimidation prevention policy for schools to use;
- (3) providing regional training and assistance to school districts to implement best practices;
- (4) collaborating with others to make baseline data on school climate available; and
- (5) developing a Web-based toolkit to promote positive learning environments.

(b) Allows data to be analyzed consistent with federal and state data practices laws.

25 Student support services; team staffing approach. Directs the education commissioner to develop recommendations for the legislature by February 1, 2014, on providing professional support services to public school students throughout Minnesota using a team staffing structure.

26 Levy adjustment. Directs the education department to adjust the achievement and integration levy for taxes payable in 2014.

27 Appropriations. Appropriates money for the following education excellence programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):

- ▶ Integration aid
- ▶ Achievement and integration aid
- ▶ Literacy incentive aid
- ▶ Interdistrict desegregation or integration transportation grants

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- ▶ Success for the future
- ▶ American Indian teacher preparation grants
- ▶ Tribal contract school aid
- ▶ Early childhood programs at tribal schools
- ▶ AP/IB examination fees; teaching training and support programs
- ▶ Concurrent enrollment programs
- ▶ Collaborative Urban Educator (CUE) program
- ▶ ServeMinnesota program
- ▶ Student organizations
- ▶ Early childhood literacy program
- ▶ Minnesota Math Corps program
- ▶ Minnesota Principals' Academy
- ▶ Regional Centers of Excellence
- ▶ School climate center
- ▶ Site decision making grant program

Article 4: Charter Schools

Overview

Includes charter school law changes proposed by the Minnesota Department of Education and the Minnesota Association of Charter Schools, among other changes.

1 Charter schools.

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

Subd. 3. Authorizer. Makes technical changes.

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

(d) Makes members of a charter school board of directors eligible to vote in an election of members of the charter school board of directors. Makes board of directors committee meetings open to the public.

(f) Requires charter school board members to attend annual training. Makes a new board member who does not receive initial board training within six months of being seated on the board and does not complete the initial training within 12 months of being seated automatically ineligible to continue board service.

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(g) Includes on the charter school board of directors at least one licensed teacher employed as a teacher at the charter school, one parent of an enrolled student who is not a charter school employee, and at least one community member who is a Minnesota resident. Allows the board to have a majority of teachers, parents, or community members or to have no clear majority. Allows only teachers employed at the school to serve on the board as the teacher representative. Allows a board to change its governance structure only by a majority vote of the board of directors and a majority vote of the licensed teachers teaching at the school. Makes technical changes.

(i) Precludes an authorizer from making the granting or renewing of a charter school contract contingent on a charter school leasing school facilities from the authorizer or entering into a contract in which the authorizer has a financial interest. Requires a charter school to document the open bidding process it used when contracting with an authorizer. Requires the authorizer to demonstrate that the terms of its bid were competitive and that the same terms are available to schools the authorizer does not authorize.

Subd. 4a. Conflict of interest. Exempts teachers employed at a charter school who serve on the charter school board of directors from conflict of interest provisions related to teachers' compensation. Prohibits an individual from serving as a member of a charter school board of directors if the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts. Prohibits an individual from serving as a board member if an immediate family member is a school employee or is an individual with whom the school contracts.

Subd. 6. Charter contract. Clarifies and makes technical and conforming changes.

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

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

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

(s) Makes charter schools subject to state truancy laws.

(t) Requires charter schools to implement a teacher evaluation and peer review process.

(u) Makes charter schools subject to the requirements for creating the world's best workforce by 2027.

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

(d) Limits kindergarten enrollment to students who are at least 5 years old on September 1 in that calendar year and limits first grade enrollment to students who are

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at least 6 years old on September 1 in that calendar year or have completed kindergarten. Allows a charter school to enroll students earlier according to prescribed enrollment procedures if notice is published on the charter school Web site, and the enrollment policy conforms with kindergarten early admissions policies applicable to school boards generally.

(e) Makes a conforming change.

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

Subd. 14. Annual public reports. (a) Requires a charter school to post its annual report on the charter school Web site. Strikes a requirement that a charter school submit its annual report to the education commissioner.

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

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

Subd. 17. Leased space. Allows a charter school to lease space from a school board without regard to whether the school board is eligible to be a charter school authorizer. Requires a charter school annually to submit its lease to the department before July 1, but allows the lease to be submitted later if there are circumstances beyond the charter school's control. Requires each lease to have a sum certain annual cost and an escape clause allowing the charter school to break the lease if the charter school's authorizer does not renew or terminates the charter school contract.

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

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

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

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

(c) Strikes language providing for a change in authorizers when the authorizer and the board of directors of a charter school mutually agree to terminate or not renew a charter school contract. Establishes a process for changing authorizers when an

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

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

(e) Establishes the terms and limitations under which a charter school may borrow money in anticipation of receiving state aids.

Makes this section effective immediately except subdivision 23 is effective July 1, 2013.

- 2 **Continuing truant.** Clarifies state truancy laws as applied to charter schools.
- 3 **Notice to parent or guardian when child is a continuing truant.** Clarifies state truancy laws as applied to charter schools.
- 4 **Establishment.** Clarifies state truancy laws as applied to charter schools.
- 5 **Establishment; referrals.** Clarifies state truancy laws as applied to charter schools.
- 6 **Appropriations.** See the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details.
- 7 **Revisor's instruction.** Directs the revisor to undertake a technical recodification of the statutory sections governing charter schools.

Article 5: Special Programs

Overview

This article modifies special education programs. Major funding changes begin in fiscal year 2016 and include increasing special education funding, basing a portion of the special education funding on census counts of disabled students. The article also limits a serving district's tuition bill-back to the resident school district to 90 percent of the serving district's unreimbursed special education costs beginning in fiscal year 2015. This article includes a number of sections MDE requested to conform state special education law with changes in the federal IDEA Part C and also language from H.F. 771 clarifying the use of restrictive procedures.

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1 Continuation dependent on federal law. Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.

2 Special education aid. Eliminates obsolete language and conforms a cross reference for special education revenue.

3 Definitions. (b) Provides examples of circumstances not within the definition of “emergency” for purposes of using restrictive procedures.

(c) Makes technical changes.

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

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

Makes this section effective immediately.

4 Standards for restrictive procedures.

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

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

Subd. 2. Restrictive procedures. (a) Allows a highly qualified paraprofessional to use restrictive procedure.

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

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

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child on ten or more school days during the same school year.

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

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

(b) Requires stakeholders by March 1, 2014, to recommend to the education commissioner goals for reducing the use of restrictive procedures and directs the commissioner to report to the legislature on districts' progress in reducing use of restrictive procedures and recommendations for further reducing and eliminating use of these procedures. Strikes language requiring the department to develop a statewide plan. Directs the commissioner to consult with stakeholders when preparing the report. Strikes obsolete language. Requires districts to annually report to the department summary data on district use of restrictive procedures.

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

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

Makes this section effective immediately.

- 5 **Nonresident tuition rate; other costs.** Conforms cross references to the new special education funding formula and eliminates obsolete language.
- 6 **Eligibility for Part C.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 7 **Interagency child find systems.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 8 **Parent.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 9 **State interagency coordinating council.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 10 **Responsibilities of county boards and school boards.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.

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- 11 Interagency early intervention committees.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C. Strikes a requirement that local early intervention committees review and comment upon the early intervention section of a district's total special education system.
- 12 Individualized family services plan (IFSP).** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 13 Service coordination.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 14 Lead agency; allocation of resources.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 15 Payment for services.** Makes technical changes to conform Minnesota Statutes with federal law governing IDEA, Part C.
- 16 Mediation procedure.** Requires a parent and the district to complete the mediation process to be completed within 30 days of when the education department, instead of the Office of Dispute Resolution, receives a parent's mediation request unless the district declines mediation. Makes written, signed mediation agreement binding on both parties and enforceable in court.
- 17 Definitions; regular special education aid.** Beginning in fiscal year 2016, replaces the regular special education program annual growth factor of 4.6 percent with a growth factor of 2.5 percent times the previous year's growth factor. Defines "nonfederal special education expenditures" as all necessary and essential direct expenditures on special education programming excluding: (1) expenditures reimbursed with federal funds; (2) expenditures reimbursed with other state aid; (3) general education costs of serving the student; (4) facilities costs; (5) pupil transportation costs; and (6) postemployment benefit costs.
- Defines "old formula special education expenditures" as the expenditures that were counted under the prior law.
- Defines the eligible expenditures of the Minnesota State Academies for the Deaf and Blind as salary and fringe benefits of one-to-one instructional and behavior management aides (most of the Minnesota State Academies' budget is funded through a line item appropriation).
- 18 Special education initial aid; regular.** Defines special education initial aid as the sum of the cost of pupil transportation for special education services and the lesser of:
- (1) 56 percent of the district nonfederal special expenditures for the prior fiscal year;
 - (2) 48 percent of the district's nonfederal special education expenditures for the prior year; or
 - (3) 50 percent of the sum of:

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

(A) \$438;

(B) \$360 times the ratio of the sum of the number of enrolled pupils who are eligible for free lunch plus 50 percent of the number of pupils eligible for reduced-price meals; and

(C) .007 times the district's average daily membership served;

(ii) \$10,400 times the district's number of students who are autistic, developmentally delayed, or severely multiply impaired;

(iii) \$18,000 times the district's number of students who are deaf, hard of hearing, or have emotional or behavioral disorders; and

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

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

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

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

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

23 Initial aid adjustment. Conforms a cross reference.

24 Definitions; excess cost aid. Modifies the definition of excess cost aid to match the new definition of nonfederal special education expenditures.

25 Initial excess cost aid. Changes the factors for excess cost aid. Sets the aid equal to the greater of: (1) 50 percent of the difference between the district's unreimbursed special education cost and 6 percent of the district's general education revenue, or 60 percent of the difference between the district's unreimbursed old formula special education cost and three percent of the district's general education revenue.

26 Special education case loads task force.

Subd. 1. Members. Directs the education commissioner to establish a ten-member

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task force with equal representation from school districts, including special education teachers, and advocacy organizations.

Subd. 2. Duties. Directs the task force to develop recommendations for the appropriate numbers of students with disabilities assigned to a classroom teacher with and without paraprofessional support and for cost effective and efficient strategies and structures for improving student outcomes.

Subd. 3. Report. Directs the task force to submit a report to the legislature by February 15, 2014, recommending appropriate caseloads for teachers in all federal settings and for early childhood special education and program alternatives.

Subd. 4. Expiration. Causes the task force to expire February 16, 2014.

- 27 Rulemaking authority.** Directs the education commissioner to amend special education rules using the expedited rule making process to conform the rules with federal law governing IDEA, Part C, to the extent needed to avoid loss of federal funds. Causes the rulemaking authority to expire on July 1, 2014.
- 28 Appropriations.** Appropriates money for the following special revenue programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
- ▶ Regular special education aid
 - ▶ Aid for children with disabilities
 - ▶ Travel for home-based services aid
 - ▶ Special education; excess costs
 - ▶ Court-placed special education revenue
 - ▶ Special education out-of-state tuition
- 29 Repealer.** Repeals the following effective for revenue for fiscal years 2016 and later:
- ▶ 124D.454, subd. 3. – access to Minnesota’s transition system for children with a disability, initial aid
 - ▶ 124D.454, subd. 10. – access to Minnesota’s transition system for children with a disability, exclusion
 - ▶ 124D.454, subd. 11. – access to Minnesota’s transition system for children with a disability, revenue allocation from cooperative centers and intermediate districts
 - ▶ 125A.35, subds. 4 and 5 – obsolete language on 1993 base year expenditures and costs
 - ▶ 125A.76, subds. 2, 4, 5, and 7 – special education initial aid, state total special education aid, school district special education aid, and revenue allocation from cooperative centers and intermediates

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- ▶ 125A.79, subs. 6 and 7 – state total special education excess cost aid and district special education excess cost aid

Article 6: Facilities and Technology

Overview

This article modifies facilities and technology programs and appropriates money for those purposes.

- 1 Debt service appropriation.** Changes the fixed, standing appropriation for the debt service equalization aid program to an open and standing appropriation so that the appropriation does not need to be amended each year.
- 2 Bonding authority; Minneapolis school district.** Makes permanent the authority for the Minneapolis school district to annually issue and sell \$15 million in facility bonds without voter approval.
- 3 Bonding authority; St. Paul school district.** Makes permanent the authority for the St. Paul school district to annually issue and sell \$15 million in facility bonds without voter approval.
- 4 Cyrus/Morris school consolidation; bonding authorized.**

Subd. 1. Purpose. States that the purpose of this act is to facilitate an orderly, efficient consolidation of the Cyrus and Morris school districts.

Subd. 2. Remediation costs. Allows the Cyrus school district to identify all health and safety remediation costs related to the demolition of the Cyrus school building. Allows any approved costs to be included in the district's health and safety plan or in the bonding authority granted in subdivision 3.

Subd. 3. Facility bonds. Allows the Cyrus school district, after conducting a public meeting on the proposal, to issue and sell general obligation bonds by authority of the school board in an amount not to exceed \$1 million to pay for the demolition of the Cyrus school building. Limits the term of the bonds to ten years.

Subd. 4. Reorganization operating debt determined. Requires the Cyrus school district to calculate and submit its reorganization operating debt to the commissioner.

Subd. 5. Reorganization operating debt bonds. Allows the Cyrus school district to sell bonds with a term of six or fewer years to repay the district's reorganization operating debt.

- 5 Appropriations.** Appropriates money for the following facilities and technology programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):

- ▶ Health and safety aid

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- ▶ Debt service equalization aid
- ▶ Alternative facilities bonding aid
- ▶ Equity in telecommunications access aid
- ▶ Deferred maintenance aid

Article 7: Nutrition; Libraries; Accounting

Overview

Increases funding for school lunch by adding one cent per lunch served to the state-paid school lunch aid, makes changes to the summer food service replacement aid program, appropriates money for school nutrition programs, and extends fund transfer flexibility for two more years.

- 1** **School lunch aid computation.** Increases the state aid for each school lunch served from 12 to 13 cents beginning July 1, 2013.
- 2** **Summer food service replacement aid.** Requires that summer food service replacement aid be made on a pro-rata basis on December 15 to each sponsor based on their total meals served over the summer when school is not in session.
- 3 - 15** **Grant authorization; type of grants and aid.** Makes clear that library basic support aid and multicounty, multitype aids are state aids, not grants, for purposes of administrative documentation.
- 16** **Fund transfer; fiscal years 2014 and 2015 only.** Authorizes a school district, upon approval of the commissioner, to transfer money from any fund or account to any other fund or account unless that transfer would have an impact on state aids or local levies. Prohibits transfers from the community service fund, food service fund, or the reserved account for staff development revenue.
- 17** **School payment shifts.** Declares that for fiscal years 2014 and later, any increase in an aid entitlement must have a current year aid payment percent of 90. Declares that for taxes payable in 2014, school aid appropriations must be calculated assuming no gains attributable from the property tax recognition shift.
- 18** **Appropriations.** Appropriates money for the following nutrition programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ School lunch aid
 - ▶ School breakfast aid
 - ▶ Kindergarten milk
 - ▶ Summer school service replacement aid

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- ▶ Basic system support library grants
- ▶ Multicounty, multitype library systems
- ▶ Electronic library for Minnesota
- ▶ Regional library telecommunications aid

Article 8: Early Child Education and Lifelong Learning

Overview

Creates an early childhood education scholarship program; increases the growth rate for adult basic education and appropriates funds for early education, community education, and lifelong learning programs.

- 1 Early learning scholarships.** Adds the early learning scholarship program to the statutory list of education sections classifying education data as “other than public.”
- 2 Minnesota Youth Council Committee.** Creates § 16F.01.

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

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

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

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

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

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

- 3 Early learning scholarships.**

Subd. 1. Early learning scholarship established. Requires the Office of Early

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Learning to oversee the early learning scholarship program in consultation with the Departments of Education, Health, and Human Services.

Subd. 2. Duties. Requires the Office of Early Learning to administer the early learning scholarship program, establish participation standards, develop criteria for providers and contract for services as necessary.

Subd. 3. Definitions. Defines terms including “prospective program” as an eligible program that has not yet been rated but wishes to pursue rating and “rated program” as a program that has received at least one star under the quality rating and improvement system.

Subd. 4. Participant eligibility. Qualifies a participant for eligibility if the family’s income is below 185 percent of the federal poverty level. Requires a parent to apply in the form and manner determined by the director of the Office of Early Learning. Authorizes a parent to document participation in other named public funding programs in order to verify income.

Subd. 5. Scholarship amount. Authorizes the director of the Office of Early Learning to set the scholarship amount based on market rate surveys, geographic location, and the child’s level of need.

Subd. 6. Award of scholarships. Requires the director to set timelines and award scholarships. Allows the director to prioritize applicants on family income, geographic location, and needs of the child. Allows a child’s scholarship, once awarded to continue until that child enrolls in school. Includes scholarships for siblings that attend the same program. Requires a child who has not been screened to undergo early childhood developmental screening within 45 days of enrolling in the program.

Subd. 7. Scholarship recipient choice of programs. Allows a scholarship recipient to choose among qualifying early learning programs. Requires that the recipient begin using the scholarship within ten months of its receipt.

Subd. 8. Building quality. Requires the director to develop a streamlined process to encourage more programs to become rated. Allows a scholarship recipient to select a prospective program for fiscal years 2014 and 2015 only.

Subd. 9. Provider reimbursement. Allows the director to determine the form and manner of payment to qualifying providers.

Subd. 10. Earned income calculation. Clarifies that an early learning scholarship must not be counted as income for other public assistance programs.

Subd. 11. Student identification numbers. Allows the director to collect certain demographic and socioeconomic data from program participants. Requires data collected under this section to be private. Requires participating programs to treat the student identification numbers in a confidential manner.

Subd. 12. Report required. Requires the director, in consultation with the

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children's cabinet, to develop and implement a plan to create parent awareness of the scholarships. Requires the director to annually report the results of outreach efforts to the legislature.

- 4 State total adult basic education aid.** Increases the growth factor for the adult basic education aid program from 1.02 to 1.03 for fiscal years 2015 and later.
- 5 Early childhood education scholarships.** Clarifies that any early childhood education scholarships awarded during fiscal year 2013 do not count as earned income for other income assistance programs including Medical Assistance, MinnesotaCare, MFIP, child care assistance, and Head Start.
- 6 Fiscal year 2014 only.** Authorizes the director of the Office of Early Learning to establish an expedited process to award scholarships to eligible recipients who will be attending three- or four-star rated programs during the fall of 2013.
- 7 Appropriations.** Appropriates money for the following programs (see the fiscal analyst tracking spreadsheet at <http://www.house.leg.state.mn.us/fiscal/files/k1213app.pdf> for financial details):
 - ▶ School readiness aid
 - ▶ Early childhood family education aid
 - ▶ Health and developmental screening aid
 - ▶ Head Start program state aid
 - ▶ Educate parents partnership
 - ▶ Kindergarten entrance assessment initiative and intervention
 - ▶ Early childhood education scholarships
 - ▶ Community education aid
 - ▶ Adults with disabilities program aid
 - ▶ Hearing-impaired adults
 - ▶ School-age care revenue
 - ▶ Adult basic education aid
 - ▶ GED tests

Article 9: State Agencies

Overview

Provides funding for the Minnesota Department of Education, the Minnesota State Academies for the Deaf and Blind, and the Perpich Center for Arts Education.

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- 1 Appropriations; Department of Education.** Appropriates \$19.214 million in fiscal year 2014 and \$19.386 million in fiscal year 2015 for the Minnesota Department of Education.
- 2 Appropriations; Minnesota State Academies.** Appropriates \$11.897 million in fiscal year 2014 and \$11.910 in fiscal year 2015 for the Minnesota State Academies for the Deaf and Blind in Faribault.
- 3 Appropriations; Perpich Center for Arts Education.** Appropriates \$6.786 million in fiscal year 2014 and \$6.848 million in fiscal year 2015 for the Perpich Center for Arts Education.

Article 10: Forecast Adjustments

Overview

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