

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 2749  
**Version:** First engrossment

**DATE:** April 21, 2016

**Authors:** Knoblach

**Subject:** Omnibus K-12 and higher education bill

**Analyst:** Sean Williams (sean.williams@house.mn)  
Matt Gehring (matt.gehring@house.mn)  
Tim Strom  
Lisa Larson  
Colbey Sullivan

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

---

### Article 1: State Finances

#### Overview

Background: under current law, if a budget forecast prepared by Minnesota Management and Budget (MMB) predicts a general fund surplus for the current biennium, MMB must allocate the surplus to specific purposes. These purposes include increasing the budget reserve and cash flow accounts to specified levels (\$810,992,000 and \$350,000,000, respectively) and if a K-12 school shift is in place, eliminating the outstanding shift. In 2015, lawmakers added two additional purposes – repaying approximately \$63 million to the Closed Landfill Investment Fund (CLIF) and \$8,100,000 to the Metropolitan Landfill Contingency Action Trust (MLCAT) Account. After the November 2015 forecast, MMB transferred the required amounts from the general fund to CLIF and MLCAT.

If the budget reserve is drawn down in the future, this bill would require MMB to allocate forecasted general fund surplus dollars to the budget reserve until it returns to the February 2016 forecast balance of \$1,596,522,000. The bill also would eliminate the obsolete and expired CLIF and MLCAT transfer requirements.

## Section

### Article 2: Office of Higher Education

#### Overview

This article contains policy changes related to programs administered by the Office of Higher Education (OHE), including the State Grant Program, Teacher Shortage Loan Forgiveness Program, and the MnSCU Occupational Scholarship Pilot Program. The article contains language that is based on House Files 3237 (Nornes), 3275 (Nornes), 2576 (E. Murphy), 2815 (Nornes), and 3789 (Nornes).

- 1 Management of programs.** Permits the OHE to retain up to five percent of an appropriation to a program or pass-through grant if the appropriation does not specify an amount for administrative costs. This permission would only apply to programs or grants established on or after January 1, 2016.

Appropriates funds retained under this section to the OHE for administering and monitoring programs.

This language is based on H.F. 3237 (Nornes).
- 2 Receipt of donations; money; grants.** Permits the commissioner of higher education to accept donations, grants, bequests, and other funds. Funds received under this provision must be used to carry out the office's responsibilities, as specified in section 136A.01. Funds received under the provision are deposited in a special revenue account, appropriated to the commissioner for the purposes for which they were granted, and are available until expended.

This language is based on H.F. 3237 (Nornes).
- 3 Surplus appropriation.** Repeals OHE's authority to increase the tuition and fee maximums for the state grant program if the program has surplus appropriations in the second year of the biennium. This authority was granted as part of the 2015 higher education omnibus bill. OHE would retain the authority to increase the living and miscellaneous expense allowance if the grant program has surplus appropriations.
- 4 Eligible students.** The child care grant program provides financial assistance to resident postsecondary students to reduce the costs of child care. Under current law, the program is only open to undergraduate students without a baccalaureate degree who have not completed eight full-time semesters. Section 4 would permit graduate students to participate in the child care grant program, provided that they have been enrolled for fewer than eight semesters in a graduate or professional degree program.

This language is based on H.F. 3275 (Nornes).
- 5 Amount and length of grants.** Adjusts the child care grant program formula to account for the fact that full-time enrollment for graduate students is six credits.
- 6 Application for loan forgiveness.** Removes language requiring an individual to reapply for the teacher shortage loan forgiveness for five consecutive school years—this language has been clarified and moved in section 6 of the bill. Clarifies that an applicant may receive a

## Section

loan forgiveness award if the applicant works in a licensure field or economic development region experiencing a teacher shortage.

This language is based on H.F. 3237 (Nornes).

- 7** **Amount of loan forgiveness.** Stipulates that an applicant may not receive more than five teacher shortage loan forgiveness awards.

This language is based on H.F. 3237 (Nornes).

- 8** **Disbursement.** Under the teacher shortage loan forgiveness program, an award recipient must provide proof to the commissioner that he or she applied the award to his or her student loan balance. Current law requires the recipient to provide proof within 60 days of *receiving* an award; the bill would change this to within 60 days of the *disbursement* of the award.

This language is based on H.F. 3237 (Nornes).

- 9** **Promotion of federal loan forgiveness programs.** Requires OHE to develop informational materials to promote public awareness of existing loan forgiveness programs, and publish the materials on its Web site.

**Subd. 1. Definitions.** Defines “federal loan forgiveness program,” “public service loan forgiveness program,” and “public service organization.”

**Subd. 2. Promotion of loan forgiveness programs.** Requires OHE to develop and distribute informational materials to increase public awareness of federal loan forgiveness programs.

At a minimum, the commissioner must develop:

- (1) a one-page letter to individuals who may be eligible for the public service loan forgiveness program, and briefly describes how to participate;
- (2) a detailed fact sheet about the program; and
- (3) answers to frequently asked questions about the program.

Permits OHE to distribute a document published by a federal agency in place of publishing its own document.

**Subd. 3. Publication of informational materials.** Requires the OHE to publish the informational materials developed under subdivision 2 on its Web site.

This language is based on H.F. 2576 (E. Murphy), with technical changes.

- 10** **Planning information for postsecondary education.** Requires OHE to gather information about the dual credit acceptance policies of colleges and universities in Minnesota, and include this information in the informational materials packet that it annually distributes to middle and high school students. Specifies that OHE must gather information about concurrent enrollment, postsecondary enrollment, advanced placement, and international baccalaureate courses. Requires OHE to post the information gathered on its Web site.

This language is based on H.F. 2815 (Nornes), with modifications.

## Section

**11 Disclosure of eligibility for student loan forgiveness.** Requires nonprofit and public employers to disclose to their employees that they may be eligible for the public service loan forgiveness program.

**Subd. 1. Definitions.** Defines “employer” as a public service organization as defined in the public service loan forgiveness program, but excluding federal and tribal organizations.

Defines “employment certification form” as a form used by the U.S. Department of Education to certify an individual’s employment at a public service organization.

Defines “federal public service loan forgiveness program” as a public service loan forgiveness program administered by the U.S. Department of Education.

**Subd. 2. Disclosure of eligibility for student loan forgiveness.** (a) Requires employers to provide their employees with information about their potential eligibility for the federal public service loan forgiveness program. On January 1, 2017, and annually thereafter, employers must provide their employees with the informational materials developed by OHE under section 1 of the bill.

(b) Requires employers to provide the informational materials developed by OHE to their employees within two weeks of a new employee’s first day of employment.

(c) Requires an employer whose employee requests the employer certification form to provide the form to the employee.

This language is based on H.F. 2576 (E. Murphy), with technical changes.

**12 Reporting.** Removes language requiring OHE to annually report data about the MnSCU Occupational Scholarship Pilot to the legislature. Requires the commissioner to instead report the data to the legislature in January 2017 and January 2018. The program is a pilot program for which the appropriation in fiscal year 2019 is \$0. Under current law, OHE would be required to report about the program even if it no longer exists.

This language is based on H.F. 3237 (Nornes).

**13 MnSCU two-year college program; administrative costs.** Permits MnSCU to immediately access administrative funds related to the occupational scholarship pilot program.

In 2015, the legislature enacted a pilot program to provide scholarships for enrollment in eligible technical education programs that lead to employment in high demand occupational fields. In general, the scholarships are available to Minnesota students who completed an AmeriCorps program immediately after graduating high school, earning a GED, or completing an adult basic education program.

As part of this pilot program, the legislature appropriated \$225,000 to MnSCU for information technology and administrative costs associated with implementing the program. This appropriation was made available for fiscal year 2017. Fiscal year 2017 begins July 1, 2016.

## Section

This bill would allow MnSCU to access the IT and administrative cost appropriation sooner—rather than waiting until the new fiscal year begins in July, the funds would be available upon enactment of the bill.

This language is based on H.F. 3789 (Nornes).

### **Article 3: MnSCU Program for Students with Intellectual and Developmental Disabilities**

#### **Overview**

This article requires MnSCU to develop a plan for offering a program for students with intellectual and developmental disabilities at up to four campuses. The program would provide an inclusive, two-year full-time residential college experience for participants, and would lead to an appropriate academic credential upon completion.

This article also extends eligibility for state financial aid programs to participants in postsecondary programs for students with intellectual and developmental disabilities.

The language in this article is based on H.F. 2896 (Daniels), with modifications.

- 1 Satisfactory academic progress.** Provides a modified standard of “satisfactory academic progress” for students with an intellectual disability enrolled in certain postsecondary transition programs.

The effect of this change is to extend eligibility for state financial aid programs—including the state grant—to participants in the MnSCU pilot program established in section 2, and to participants in similar programs at other postsecondary institutions in Minnesota.

- 2 MnSCU program for students with intellectual and developmental disabilities; plan required.** Requires MnSCU to develop a plan for offering a program for students with intellectual and developmental disabilities. The program developed must provide an inclusive, two-year full-time residential college experience for participants, and must lead to an appropriate academic credential upon completion.

**Subd. 1. Pilot program required.** Requires the plan to be developed.

**Subd. 2. Program locations.** Requires an assumption that the program would be offered at up to four college or university campuses, prioritizing a campus’ ability to offer a robust program using existing facilities and resources, and a goal to provide the program in diverse regions of the state.

**Subd. 3. Program enrollment and admission.** Provides standards for enrollment and admission of participants in the program. The enrollment goal for each program must be ten incoming students per year.

## Section

**Subd. 4. Program curriculum and activities.** Establishes the required curriculum and activities of the program. The program must include core academic courses, as well as opportunities for participants to engage fully in campus life.

**Subd. 5. Progress reports to legislature.** Requires MnSCU to submit a report to the legislature describing plans for the program no later than January 15, 2017. The report must include strategies for recruitment of applicants and strategies to address anticipated needs that cannot be met using existing resources.

### Article 4: Fetal Tissue Research

#### Overview

This article asks the legislative auditor to conduct a comprehensive review of research practices at the University of Minnesota that involve the use of fetal tissue.

The language in this article is based, in part, on H.F. 3130 (Dean, M.), and H.F. 3378 (Dean, M.), both with modifications.

- 1 Fetal tissue research practices.** Establishes certain requirements related to research conducting using fetal tissue at the University of Minnesota.

**Subd. 1. Institutional review board; approval of research.** Requires that University researchers obtain approval of the University's Institutional Review Board or stem cell oversight committee prior to conducting research using fetal tissue. In reviewing the research plan, consideration must be given to the feasibility of conducting the research using nonhuman tissues.

**Subd. 2. Identification of fetal tissue available due to natural death.** Requires the dean of the University's medical school to attempt to identify sources of fetal tissue that are suitable for use in research and are available due to the natural death of the fetus. When sources are identified, the dean must submit recommendations to the Board of Regents for policy updates to encourage use of these sources. The sources identified must also be submitted to the Association of American Medical Colleges.

**Subd. 3. Legislative report.** Requires a legislative report on the use of fetal tissue in research, due January 15, 2017. Several items, specified in the bill, are required to be included in the report.

**Subd. 4. Definition.** Provides a definition of "fetal tissue."

This language reflects new policy that was offered as an amendment in committee.

- 2 Institutional Review Board oversight procedures.** Requires the University of Minnesota to expand and strengthen the University's Institutional Review Board (IRB).

The IRB is an existing entity at the university, and is responsible for reviewing and overseeing research activities that include the use of human subjects. The IRB's general

## **Section**

duties include verifying that any human subjects used in research have given their informed consent to be studied, and that the health, wellbeing, and privacy of research subjects are not put at an undue risk.

The expanded functions of the IRB would include:

- (1) developing and enhancing university policies related to the use of human subjects and human tissue in research;
- (2) conducting frequent, random, and unannounced compliance audits of research using human tissue;
- (3) implementing education, outreach, and training programs; and
- (4) creation of an anonymous reporting system to receive complaints of potential violations of law or university policy related to human subjects or human tissues in research.

This language is based on H.F. 3378 (Dean, M.), with modifications.

### **3 University of Minnesota fetal tissue research; legislative auditor review.** Outlines the substantive components of the requested review.

The review would determine (1) the amount of research conducted, (2) the total cost (including sources of funding) for the research, and (3) whether the research complies with applicable federal and state laws, as well as Board of Regent policies, related to the acquisition, sale, handling, and disposition of human tissues.

The review would also consider whether the policies adopted by the Board of Regents include provisions to ensure that fetal tissue is used in research only when necessary, and that the research activities are conducted in an ethical manner.

The review is requested to be complete no later than 60 days after final enactment of this bill.

This language is based on H.F. 3130 (Dean, M.), with modifications.

## **Article 5: Monitoring of Psychiatric Drug Trials**

### **Overview**

The Ombudsman for Mental Health and Developmental Disabilities acts on behalf of persons who receive services and treatment for mental illness, developmental disabilities, chemical dependency, or emotional disturbance. In this role, the ombudsman may, on behalf of a person receiving services, accept complaints, act as an advocate, or investigate the actions of an agency, facility, or program. This article would expand the role of the ombudsman to include oversight of the treatment of individuals who are enrolled in clinical drug trials at the University of Minnesota Department of Psychiatry.

A special review of a clinical drug study at the University of Minnesota Department of Psychiatry was conducted by the Office of the Legislative Auditor. In the March 19, 2015, report, the auditor recommended that the legislature should

## Section

enact legislation to authorize the Ombudsman for Mental Health and Developmental Disabilities to monitor individuals who are enrolled in Department of Psychiatry clinical drug trials.

The language in this article is based on H.F. 3553 (Pugh).

- 1 Office of Ombudsman; creation; qualifications; functions.** Amends § 245.92. Requires the Office of the Ombudsman for Mental Health and Developmental Disabilities to monitor treatment of individuals who are enrolled in clinical drug trials at the University of Minnesota Department of Psychiatry.
- 2 Powers of ombudsman; reviews and evaluations; recommendations.** Amends § 245.94.
  - Subd. 1. Powers.** Allows the ombudsman to gather records related to clinical drug trials from the University of Minnesota Department of Psychiatry. Requires the ombudsman to ensure that the Department of Psychiatry complies with the protections for human subjects required by federal law and the Institutional Review Board.
  - Subd. 2. Matters appropriate for review.** Instructs the ombudsman to give particular attention to the death or unusual injury of any individual who is enrolled in a Department of Psychiatry clinical drug trial.
  - Subd. 2a. Mandatory reporting.** Requires the lead investigator of a clinical drug trial at the Department of Psychiatry to notify the ombudsman within 24 hours of a client death or serious injury.
  - Subd. 3. Complaints.** Allows the ombudsman to accept a complaint from any source concerning an action or inaction of the University of Minnesota Department of Psychiatry related to an individual who is enrolled in a clinical drug trial. Provides that the university shall not punish or unfavorably alter a participant's treatment as a result of an investigation or complaint. Prohibits the university from taking adverse action against any person who makes a complaint or assists in an investigation. Allows the ombudsman, at the request of the complainant, to maintain the complainant's identity as confidential.
  - Subd. 4. Recommendations to agency.** No changes.
  - Subd. 5. Recommendations to University of Minnesota.** Requires the ombudsman to make recommendations to the Board of Regents for corrective action if, after investigation, the ombudsman determines a complaint has merit or an investigation reveals noncompliance with the protection of human subjects or the Institutional Review Board.
- 3 Reimbursement to ombudsman for mental health and developmental disabilities.** Amends § 245.945. Requires the Board of Regents to reimburse the ombudsman for oversight costs incurred by the ombudsman. Instructs the ombudsman to maintain and transmit documentation of costs to the Board of Regents.
- 4 Specific reports.** Amends § 245.95, subd. 1. Adds the University of Minnesota Department of Psychiatry and its clinical drug trial employees to the definition of "agency, facility, program, or person" for purposes of this subdivision.

## Section

- 5** **Medical Review Subcommittee.** Amends § 245.97, subd. 5. Allows the subcommittee to review the death of a participant in a clinical drug trial conducted by the Department of Psychiatry and make a preliminary determination whether the death warrants investigation and reporting as required by laws on the protection of human subjects.

## **Article 6: Collegiate Recovery Program**

### **Overview**

This article asks the Board of Regents of the University of Minnesota to establish a collegiate recovery program at the University of Minnesota, Rochester campus.

A college recovery program provides structured academic, career, and personal support for students in recovery from alcohol, chemical, and other addictive behaviors, while also facilitating completion of a postsecondary educational program. In Minnesota, collegiate recovery programs currently exist at St. Cloud State University and Augsburg College.

The language in this article is based on H.F. 2547 (Norton), with modifications.

- 1** **Rochester campus; collegiate recovery program.** Requests the Board of Regents establish a collegiate recovery program on the Rochester campus. Specifies the purpose of the program and the activities that may be included. Requires a report to the legislature no later than January 1, 2020.
- 2** **Operations and maintenance.** Stipulates that \$257,200 of the University's fiscal year 2017 operations and maintenance appropriation is for design and implementation of a collegiate recovery program. Specifies that this is a onetime appropriation. Sets the base for the program in fiscal year 2020 at \$179,000. Stipulates that the operations and maintenance base appropriation for fiscal year 2018 is \$559,111,000—this is the same as the base under current law.

## **Article 7: General Education**

### **Overview**

This article modifies general education provisions, modifies the starting date of the Glenville-Emmons school district operating referendum, and authorizes the Moorhead and Dilworth-Glyndon-Felton school districts to adjust their shared school district boundaries.

- 1** **Cooperative unit defined.** Explicitly adds special education cooperatives to the types of joint governance units that are considered “cooperative units” for purposes of the school code.

## Section

- 2 Federal child and adult care food program.** Authorizes a multisite sponsoring organization to demonstrate its financial viability to the Minnesota Department of Education (MDE) through a letter from a CPA. Requires MDE to post child and adult care food program information on its Web site. Requires the commissioner of education to perform an expedited review of any multisite sponsoring organization's application if that application was submitted after July 1, 2015, and the application's denial was based in part on the multisite sponsoring organization's financial viability.
- 3 General education revenue.** Allows a school board to adopt a resolution to reallocate any of its general education revenue according to the plan specified in the resolution.
- 4 Operating capital levy.** Increases the operating capital-equalizing factor for fiscal years 2018 and later to provide additional operating capital aid.
- 5 Equity revenue.** Extends the 25 percent increase in equity revenue to all school districts in the state (this increase is currently available only to school districts with their administrative offices located in the metro area). Beginning with fiscal year 2018, requires all school boards to adopt a resolution before accessing the equity revenue bump.
- 6 Use of revenue; compensatory.** Adds two new purposes to the list of eligible uses of compensatory revenue: recruitment and new teacher development activities through a teacher induction or mentorship program (sometimes referred to as a "grow your own" program); and hiring bonuses or other added compensation for highly effective teachers who work in hard-to-fill or hard-to-staff positions.
- 7 Building allocation; compensatory revenue.** Grants a school board authority to adopt a plan to determine how to allocate all of its compensatory revenue among school sites (under current law, the board may adopt a plan to allocate up to 50 percent of its compensatory revenue and the remaining 50 percent must be allocated to the school site where the compensatory revenue was earned).
- 8 Recommendation.** Clarifies that the school site decision team recommends to the school board how compensatory revenue should be spent at that school site.
- 9 Duties; powers; school trust lands director.** Authorizes the school trust lands director to enter into joint powers agreements and evaluate and initiate real estate development projects on school trust lands.
- 10 Statewide average revenue.** Grants MDE another two months to prepare the annual report that measures the disparity in adjusted general revenue among school districts by changing the date the report must be prepared from October 1 to December 1 (this delay allows the MDE to use more current data). Delays the date for the commissioner of education to make recommendations based on the results of the report from January 15 to February 1. Clarifies that the definition of adjusted general revenue includes local optional revenue.
- 11 Fund or account transfer.** Makes the current time-limited law that authorizes certain fund and account transfers ongoing and permanent (the current session law limits the transfers to fiscal years 2014 through 2017).

## Section

- 12 Appropriation; general education aid.** Adjusts general education aid for forecast changes, increases the appropriation for the add equity aid, and adds funding for the Glenville-Emmons referendum adjustment.
- 13 Voluntary boundary alignment; Moorhead and Dilworth-Glyndon-Felton school districts.**
- Subd. 1. Boundary realignment allowed.** Specifically authorizes the school boards of Independent School District Nos. 152, Moorhead, and 2164, Dilworth-Glyndon-Felton (DGF) to align their shared district border.
- Subd. 2. Plan to establish new boundaries.** Allows the Moorhead and DGF school boards to jointly adopt a written plan to realign their school district boundaries. Requires the plan to identify each group of parcels that will be transferred between the districts and specifies the method for transferring the blocks of parcels between the districts. Requires the plan to be filed with both the county auditor and the commissioner of education. Requires the districts to publish the plan in enough detail to describe each of the blocks of parcels to be transferred. Requires the same notice to be mailed to each property owner affected by the border realignment.
- Subd. 3. Bonded debt.** Requires each parcel to pay the property taxes, including the facilities levies, of the district to which the parcel is attached for that year.
- Subd. 4. County auditor notified.** Requires the districts to annually notify the county auditor of any movement of parcels during that year in the form and manner specified by the county auditor. Requires the county auditor to notify affected parcel owners of the boundary change in the year that the change occurs.
- Subd. 5. Report to Department of Education.** Requires the school boards to file a copy of the plan with MDE. Requires the districts to report any other information necessary for MDE to calculate school aids and levies for the two school districts.
- Effective date:** Makes this section effective upon the parties meeting the requirements of a local approval clause, meaning the school boards will need to approve the law and file the appropriate certified documents with the secretary of state before the act is effective.
- 14 Glenville-Emmons school district.** Corrects a mistaken date on the ballot authorizing the Glenville-Emmons school district operating referendum (the ballot stated the referendum was first effective for taxes payable in 2017 instead of fiscal year 2017).
- 15 Equity revenue in fiscal year 2017.** Makes the equity revenue increase authorized in section 5 payable entirely in state aid for fiscal year 2017 only.
- 16 Report on postsecondary enrollment options program.** Requires the commissioner of education to report to the legislature about the numbers of students participating in early middle college programs and the number of English language learners participating in dual enrollment programs.
- 17 Revisor's instruction.** Requires the revisor of statutes to codify section 11 in a place consistent with other statutory restrictions on school district funds and accounts.

## Section

### Article 8: Education Excellence

#### Overview

This article proposes and funds various education policy changes and initiatives to improve teaching and learning and makes technical changes.

- 1 School crisis response teams.** Requires the commissioner of education to collect, maintain and make available to school districts contact information for school crisis response teams. Requires the commissioner of education to work cooperatively with the Minnesota School Safety Center to help develop school crisis response teams in regions of the state where an existing crisis response team has not yet been formed.
- 2 Legitimate exemptions.** Allows school districts to excuse students from participating in a physical education class.  
Makes this section effective immediately.
- 3 Conduct of school on certain holidays.** (b) Allows districts to honor Constitution Day and Citizenship Day by providing opportunities for students to learn about American government, law, history, and geography by, among other activities, answering the same test questions that applicants for naturalization must answer.
- 4 Required knowledge and understanding of civics.** (a) Defines “civics test” to mean 50 of the 100 questions U.S. Citizenship and Immigration Services officers use to select the questions they pose to applicants for naturalization. Directs the Learning Law and Democracy Foundation, in consultation with civics teachers, to select by July 1 of each year the 50 civics test questions and to transmit the questions to the department and the Legislative Coordinating Commission, which must post the questions by August 1.  
(b) Requires public school students to correctly answer at least 30 of the 50 civics test questions. Requires school districts and schools to record on the student’s transcript whether the student correctly answered at least 30 civics test questions. Allows school districts and schools to exempt students with disabilities from this requirement if the student’s individualized education program team determines the requirement is inappropriate and establishes an alternative requirement. Allows a school district or school to administer the civics test in a language other than English.  
(c) Allows school districts to administer the civics test as part of the social studies curriculum. Prohibits a district from preventing a student from graduating or denying a student a high school diploma for failing to correctly answer at least 30 of 50 civics test questions.  
(d) Prohibits the commissioner, school districts, and schools from charging students any fees related to this test.  
Makes this section effective for students enrolling in grade 9 in the 2017-2018 school year and later.

## Section

- 5**        **Required academic standards.** (a) Includes the content of the civics test in the statewide social studies standards.
- (c) Directs the education department to adopt, review, and revise nationally recognized prekindergarten through grade 12 physical education standards and benchmarks as Minnesota's required physical education academic standards. Allows the department to modify and adapt the standards and benchmarks to accommodate state interests. Directs the department to post samples of existing assessments for school districts to use to assess students' mastery of the physical education standards.
- Makes paragraph (c) effective beginning in the 2021-2022 school year.
- 6**        **Rulemaking.** Directs the education commissioner to adopt statewide rules for implementing physical education standards.
- 7**        **Revisions and reviews required.** (g) Directs the education commissioner to implement a review of physical education standards and related benchmarks beginning in the 2020-2021 school year and every ten years thereafter.
- 8**        **Performance measures.** Strikes student performance on the National Assessment of Educational Progress (NAEP) as a world's best work force measure of district and school progress.
- 9**        **Adopting plans and budgets.** Requires a world's best work force plan to include a process to: assess and identify students to participate in gifted and talented programs and accelerate their instruction, and to adopt early admission procedures under Minnesota's gifted and talented program; and examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught by inexperienced, ineffective, or out-of-field teachers.
- 10**       **Report.** Consistent with school performance reports and the world's best work force, directs local school boards to examine the equitable distribution of effective, experienced, and in-field teachers.
- 11**       **Gifted and talented students program.** Requires school districts to adopt guidelines and procedures for students, including early learners, to participate in Minnesota's gifted and talented program, consistent with the district's world's best work force plan for assessing and evaluating student progress.
- 12**       **Statewide testing.** (e) Directs districts to pay one time for a student in grade 11 or 12 to take a nationally recognized college entrance exam to the extent state funding is available. Strikes language allowing a student to take the exam at the student's high school during the school day.
- (m) Requires the Minnesota State Colleges and Universities (MnSCU) chancellor to review and confirm the career and college readiness benchmarks established by the commissioner of education showing students are able to successfully complete credit-bearing coursework at a MnSCU institution.
- Makes this section effective for the 2016-2017 school year.

## Section

- 13 Statewide and local assessments; results.** Excludes the civics test from the prohibition against developing statewide social studies assessments.  
Makes this section effective immediately.
- 14 Student performance data.** Directs the education commissioner to use student categories under the federal Elementary and Secondary Education Act and other student categories when organizing and reporting demographic data on students to policy makers.  
Makes this section effective for the 2017-2018 school year and later.
- 15 Student academic achievement and growth.**
- Subd. 1. Student indicators of growth.** Strikes obsolete references to the No Child Left Behind Act and substitutes a reference to federal expectations.
- Subd. 2. Federal expectations for student academic achievement.** (a) Strikes an obsolete reference to adequate yearly progress under the No Child Left Behind Act.  
(d) Directs the education commissioner to post aggregated and disaggregated student growth, learning, and outcome data.
- Subd. 3. State growth target; other state measures.** Strikes obsolete references to student categories identified under the No Child Left Behind Act and substitutes references to student categories identified under the federal Elementary and Secondary Education Act. Adds student categories based on race, ethnicity, language proficiency, disabilities, poverty, migrant, immigrant, and homeless status, and enrollment in foster care for purposes of state accountability reports on course completion, rigorous course taking, and student engagement and connection. Requires the commissioner to include data on all enrolled pupils who are or were counted as English learners.
- Subd. 4. Improving schools.** Strikes an obsolete reference to student growth measures and substitutes a reference to high performing schools identified under federal education law.  
Makes this section effective for the 2016-2017 school year and later.
- 16 School accountability.** Strikes adequate yearly progress and student performance references made obsolete by the reauthorized federal Elementary and Secondary Education Act and substitutes references to federal expectations. Requires the education commissioner to report: the academic progress of all enrolled public school pupils who are or were counted as English learners; and the total number of students by grade who correctly answered at least 30 of 50 civics test questions, among other reporting requirements. Classifies the world's best workforce data gathered by the department as nonpublic data until it is publicly released.  
Makes this section effective for the 2016-2017 school year except the requirement to report civics test data is effective for the 2018-2019 school year and later.
- 17 Report to commissioner of education.**
- Subd. 1. Exclusions and expulsions; physical assaults.** Directs school boards to submit an electronic report to the education commissioner on incidents involving a

## Section

student's physical assault of a teacher and to include information on the district's response to the assault.

**Subd. 2. Report.** (a) Requires school boards to include state student identification numbers on affected students when submitting disciplinary reports on students' physical assault of a teacher, among other information.

(b) Directs the education commissioner to aggregate data reported under paragraph (a) and to include the aggregated data in the annual school performance reports.

Makes this section effective for the 2016-2017 school year and later.

- 18 Required policy.** Requires a school board's district-wide school discipline policy to be consistent with a teacher's authority for controlling and managing student behavior in the classroom.

Makes this section effective for the 2016-2017 school year and later.

- 19 Notification; teachers' legitimate educational interest.** (a) Establishes a teacher's legitimate educational interest in knowing which students placed in the teacher's classroom have a history of violent behavior, including any documented physical assault of a district employee by the student.

(b) Directs representatives of a school board and the exclusive representative of the teachers to discuss policies for notifying teachers and other district employees about students with a history of violent behavior, including any documented physical assault of a district employee by the student.

Makes this section effective for the 2016-2017 school year and later.

- 20 Eligibility; board composition.** Clarifies that school administrators need not be a teacher currently teaching in a Minnesota school district to serve on the Board of Teaching as a representative of school administrators.

Makes this section effective immediately and applicable to all board appointments made after that date.

- 21 Board of Teaching; duties and responsibilities clarified.** Declares the Board of Teaching responsible for licensing teachers, issuing special permissions to teach, and performing all licensure-related duties and responsibilities. At the board's direction, allows the education department to perform administrative functions related to issuing licenses. Causes this section to prevail if a statutory conflict exists.

Makes this section effective immediately.

- 22 Permissions.** (d) Permits the Board of Teaching to grant a one-year professional license, which the board may renew two times, to a qualified person to teach in a Montessori program operated by a district or charter school.

(e) Permits the Board of Teaching to grant a one-year waiver, renewable two times, to qualified individuals enrolled in an alternative preparation program leading to certification or licensure as a career and technical education instructor or teacher. Directs the board to

## Section

strongly encourage Minnesota teacher preparation programs and institutions to develop alternative pathways for this purpose.

Makes this section effective for the 2016-2017 through the 2018-2019 school years.

- 23** **Qualified teacher defined.** Strikes obsolete language defining highly qualified teacher under the federal No Child Left Behind Act.
- 24** **Qualified teacher.** Strikes obsolete language.
- 25** **Exemption for technical education instructors.** Updates and clarifies career and technical education references. Strikes language causing this section to expire.
- 26** **Negotiated unrequested leave of absence.** Requires the school board and the exclusive representative of the teachers to negotiate an unrequested leave of absence plan. Strikes language establishing a statutory plan for placing teachers on an unrequested leave of absence and prohibiting a provisionally licensed teacher from exercising seniority under a negotiated leave of absence plan.
- Makes this section effective July 1, 2017.
- 27** **Negotiated unrequested leave of absence plan.** Requires the school board and the exclusive representative of the teachers in a first class city school district to negotiate an unrequested leave of absence plan.
- Makes this section effective July 1, 2017.
- 28** **Restructured pay system.** Strikes obsolete language.
- 29** **Alternative teacher professional pay system.** As a condition of eligibility for Q-Comp funding, requires interested districts and schools to have a world's best work force plan instead of an educational improvement plan.
- 30** **Approval process.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the preceding section in this article.
- 31** **Supplemental agreements; alternative teacher pay.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the two preceding sections in this article.
- 32** **Alternative teacher compensation revenue for Perpich Center for Arts Education and multidistrict integration collaboratives.** Strikes a statutory cross reference to conform this Q-Comp section with the change in required plans under the three preceding sections in this article.
- 33** **General control of schools.** (a) Grants the teacher of record the general control and government of the school and classroom.
- (b) Allows a teacher to remove students from class, consistent with a school board's district-wide school discipline policy.
- Makes this section effective for the 2016-2017 school year and later.

## Section

- 34 School climate and safety.** Allows teachers' collective bargaining agreements to include school climate and student and staff safety provisions.  
Makes this section effective July 1, 2017.
- 35 Staff development report.** Strikes language requiring school districts and school sites to write and submit a staff development activity and expenditure report to the education commissioner. Instead requires school districts and school sites to include the staff development report in the district's world's best work force report. Strikes language requiring the commissioner to submit annual staff development data to the legislature.
- 36 Center functions.** Strikes an obsolete reference to highly qualified teacher under the federal No Child Left Behind Act.
- 37 Board control of extracurricular activities.** Requires a school board to allow all resident pupils enrolled in an online public school program to participate in extracurricular activities on the same basis as public school students enrolled in the district.
- 38 Full-service community school program.** Strikes a reference to federal reading programs included on a list of programs available under the full-service community school program.
- 39 English learner data.** Requires English learner data reports to include all enrolled public school pupils who are or were counted as an English learner.  
Makes this section effective for the 2017-2018 school year and later.
- 40 Participating school; American Indian school.** Corrects a title reference under federal law.
- 41 Program to close the academic achievement and opportunity gap; revenue uses.** Refers to a newly codified definition of "eligible district" included in this section of law.  
Makes this section effective immediately
- 42 Definitions.** (a) Defines "racially identifiable school within a district" to mean a school where the enrollment of protected students at the school is more than 20 percent above the enrollment of protected students within the district for the grade levels served by the school.  
(b) Defines "racially isolated school" to mean a district where the districtwide enrollment of protected students exceeds the enrollment of protected students in any adjoining district by more than 20 percent.  
(c) Defines "school" to mean a site in a K-12 public school district. Excludes charter schools, alternative learning centers, public and contracted alternative programs, school sites for English learners, school sites for students with disabilities, and treatment facilities licensed by the department of human services or corrections.  
(d) Defines "eligible district" to mean a racially isolated district, or an adjoining district that files a plan with the commissioner, or a district that is a member of multidistrict integration collaborative that files a plan with the commissioner.  
Makes this section effective immediately.

## Section

### **43 Prekindergarten through grade 12 parental rights coded elsewhere.**

**Subd. 1. Scope.** Indicates the sections referred to in subdivisions 2 to 30 of this section are codified elsewhere in Minnesota's education code and govern parent rights on topics related to prekindergarten through grade 12 education.

**Subds. 2 to 30.** List statutory provisions contained in Minnesota's education code establishing parent rights related to their students' kindergarten through grade 12 education.

### **44 Desegregation/integration and inclusive education rules.** (c) Prohibits the education commissioner from adopting or enforcing a rule that expands or conflicts with the statutory definition of "eligible district."

Makes this section effective immediately.

### **45 Survey of districts.** Directs the education commissioner, when surveying the state's school districts and teacher preparation programs, to submit a biennial report to the legislature on students' access to effective and more diverse teachers who reflect the diversity of district students and how districts are projected to make progress over a five-year period in providing enrolled students throughout the state with improved and equitable access to effective and diverse teachers and substitute teachers.

### **46 State administration of student survey instruments generally prohibited.** Generally prohibits the commissioner from developing, coordinating, assisting with, or using statewide student surveys to seek information about a student's activities, opinions, behaviors, or experiences on various topics.

### **47 Implementation of Elementary and Secondary Education Act.** Strikes obsolete language related to the federal No Child Left Behind Act. Substitutes a reference to the federal Elementary and Secondary Education Act.

### **48 Governance.** (a) Declares the board of the Perpich Center for Arts Education consists of 13 rather than 15 members and requires board members to include at least one school administrator or elected school board member, one professional artist, one arts educator, and one licensed secondary arts teacher and one licensed secondary teacher teaching a core academic subject area employed at the center or school.

(b) Requires a seven-member nominating committee approved or appointed by the governor to meet when a board member's term ends or a vacancy arises to prepare and submit a list of recommended board candidates to the governor. Requires board members' terms to be staggered.

(c) Requires Perpich Center for Arts Education board members to complete board training.

(d) Causes existing board members' terms to expire on September 1, 2016.

Makes this section effective immediately.

### **49 Public information.**

**Subd. 1. Board minutes.** Requires the board to post meeting minutes and other financial management and reporting documents on its official Web site.

## Section

**Subd. 2. Annual report.** Requires the board to post on its official Web site an annual financial report and longitudinal data on student enrollment, students' congressional district of residence, high school graduation rates, and post-graduation student placements.

**Subd. 3. World's best workforce.** Directs the board to prepare and post on its official Web site a comprehensive, long-term strategic improvement plan and report plan strategies, activities, practices, and outcomes on its Web site.

**Subd. 4. Audit report.** (a) Subjects the Perpich Center for Arts Education to an annual audit conducted in compliance with generally accepted governmental auditing standards. Allows the legislative auditor or the MDE to conduct financial, program, or compliance audits and to direct the Perpich Center for Arts Education to include additional items in its annual independent audit.

(b) With education department approval, allows the Perpich Center for Arts Education to combine its annual independent audit with the Crosswinds School required annual audit.

(c) Requires the Perpich Center for Arts Education to post its most recent audit on its Web site.

Makes this section effective immediately.

- 50** **ACT college ready score.** Requires MnSCU institutions to post notice of the exemption from remedial course taking for students who received a college-ready ACT score.

Makes this section effective for the 2016-2017 school year and later.

- 51** **Minnesota Comprehensive Assessments; career and college-ready benchmarks.** Precludes a state college or university from requiring an individual to take a remedial, noncredit course if the individual met a career and college-ready MCA benchmark in that subject area. Directs the commissioner to notify students and families that students who meet a career and college-ready MCA benchmark are not required to take a remedial course at a MnSCU institution.

Makes this section effective for the 2018-2019 school year and later.

- 52** **Career and technical education certification and licensure.** Directs the MnSCU Board of Trustees to provide an alternative preparation program allowing individuals to be certified or licensed as a career and technical education instructor or teacher. Allows the board of trustees to locate the first such program in the seven-county metropolitan area.

Makes this section effective for the 2016-2017 academic year.

- 53** **Effective date.** Causes current session law establishing national physical education standards as the state standards to remain effective through the 2020-2021 school year when the education commissioner begins to review and revise Minnesota physical education standards on a ten-year cycle.

## Section

### **54 Innovative delivery of career and technical education programs and services and sharing of district resources.**

**Subd. 1. Establishment; requirements for participation.** (a) Establishes a program to improve student, career and college readiness, and school outcomes by allowing groups of school districts to form partnerships with postsecondary and community institutions and workplace partners to: provide innovate education programs and activities that integrate core academic and career and technical subjects in students' program of study through coordinated secondary and postsecondary career and technical programs leading to an industry certification or other credential; use performance assessments in authentic settings to measure students' technical skills and progress toward an industry certification or other credential; and efficiently share district, institution, and workplace resources.

(b) Requires participating school districts to receive formal board approval and to develop a plan to: provide challenging programs; create professional development opportunities; and increase student engagement and connection and challenging learning opportunities for diverse populations of students that (1) are focused on employability skills and technical, job-specific skills related to a specific career pathway, or (2) demonstrate efficiencies in delivering financial and other needed services. Requires the plan to include performance assessments in authentic settings to measure students' technical skills and progress toward an industry certification or other credential, among other measures and plan requirements.

(e) Requires participating districts to submit a biennial report to the legislature by February 1 in each odd-numbered year to show their success in preparing diverse populations of students for careers and jobs.

**Subd. 2. Commissioner's role.** Directs the education commissioner to select qualified applicants and to ensure an equitable distribution of participants to the extent practicable.

Makes this section effective immediately. Allows school districts already approved for an innovation zone pilot project to continue to operate under the existing session laws.

**55 Teacher shortage loan forgiveness.** Increases the teacher loan forgiveness program appropriation in fiscal year 2017 to \$1,200,000. Makes \$200,000 the base appropriation for the program in fiscal year 2018 and later.

Causes unexpended fiscal year 2017 funds to remain available until June 30, 2019.

**56 Alternative compensation.** Updates alternative teacher compensation aid amounts.

**57 Reading Corps; appropriation.** Increases the appropriation for the Minnesota Reading Corps to \$7,625,000 in fiscal year 2017 and makes the appropriation available through June 30, 2019. Makes the base appropriation for fiscal year 2018 and later \$5,625,000.

**58 Collaborative Urban Educator; appropriation.** Increases the appropriation for the Collaborative Urban Educator (CUE) program from \$780,000 to \$2,780,000 per year for fiscal year 2017 and later. Continues the designation of recipients from the current law and authorizes the commissioner of education to make grants of any amount to qualifying applicants. Requires the commissioner to award at least 50 percent of the grants to

## Section

nonconventional or alternative teacher preparation programs, giving priority to programs training and placing demographically diverse teachers and teachers teaching in subject or regional shortage areas. Requires each grant recipient to annually report on grant expenditures and program outcomes. Makes the appropriation available through June 30, 2019. Makes \$780,000 the base appropriation for the program in fiscal year 2018 and later.

**59 College entrance examination reimbursement.** Refers to a college entrance examination instead of the ACT.

Makes this section applicable to college entrance exams administered after July 1, 2016.

**60 Concurrent enrollment teacher training grants.** For fiscal years 2017, 2018, and 2019 only, provides grants to reimburse teachers teaching open enrollment courses for the tuition costs of up to 18 graduate credits to obtain additional training. Directs the education commissioner to establish application procedures and deadlines.

Makes this section effective July 1, 2016.

**61 Minnesota's future teachers grant program.**

**Subd. 1. Definitions.** (b) Defines "eligible institution" to mean MnSCU, the University of Minnesota, or a private postsecondary institution with a Board of Teaching-approved teacher preparation program.

(c) Defines "high need area" to mean an area in Minnesota identified by the education commissioner in the biennial teacher supply and demand report or other survey as experiencing a teacher shortage in a subject area or region.

(d) Defines "high needs school" to mean a school designated as low performing under federal accountability measures or enrolling a high percentage of low-income students.

(e) Defines "qualified candidate" to mean an individual enrolled in an eligible, Board of Teaching-approved teacher preparation program or institution.

**Subd. 2. Account.** Establishes an account under the control of the commissioner of the Office of Higher Education for financial assistance grants to support qualified candidates interested in becoming teachers. Declares unused funds do not cancel.

**Subd. 3. Program requirements.** (a) Directs the Office of Higher Education commissioner to award grants to eligible institutions for undergraduate and graduate students, beginning in the 2017-2018 academic year, to become licensed teachers. Directs the commissioner to determine maximum grant amounts available to eligible institutions and for administrative and support services.

(b) Directs the commissioner to award grants to eligible institutions that: use most of the grant to reduce students' tuition, fees, and other such costs; encourage underserved students, students of color, and students interested in teaching in a high needs school to participate in the program; provide support services to allow students to complete the program and receive a license; and offer experiential opportunities to explore teaching.

## Section

(c) Requires students to demonstrate their intent to teach in a high needs school or area after completing the program.

(d) Requires participating institutions to mentor students.

- 62 Grants to student teachers in shortage areas.** Directs the commissioner of the Office of Higher Education to establish a grant program for low-income Minnesota candidates enrolled in a teacher preparation program who are student teaching and, after graduating and receiving a teaching license, are interested in teaching in a subject area or region experiencing a teacher shortage. Directs the Office of Higher Education to establish an application process.

Makes this section effective July 1, 2016.

- 63 Legislative study group on education licensure.** (a) Establishes a 12-member legislative study group to review the 2016 OLA report on teacher licensing and to report to the legislature by February 1, 2017, on recommendations for restructuring Minnesota's teacher licensure system.

(b) Includes six currently serving house members, including the chair of the house Education Innovation Policy Committee, three appointed by the house speaker and three appointed by the house minority leader, and six currently serving senate members, including the chair of the senate education committee, three appointed by the senate majority leader and three appointed by the senate minority leader, as study group members.

(c) Requires appointments to be made by June 1, 2016, and causes the appointments to expire on February 2, 2017. Requires the leader of the caucus in the affected body to which a vacating study group member belonged to fill any vacancy that occurs. Directs the chair of the House education innovation policy committee to convene the first meeting. Requires the study group to meet periodically. Directs the Legislative Coordinating Commission to provide technical and administrative assistance upon request.

(d) Directs the study group to consult with the Board of Teaching, the education department, the Board of School Administrators; and interested and affected stakeholders.

(e) Causes the study group to expire on February 2, 2017, unless extended by law.

Makes this section immediately effective.

- 64 Board of Teaching report.** Directs the Board of Teaching to submit a written report to the legislature by February 1, 2017, listing the statutory and rule requirements on teacher preparation, exams, and training applicable to candidates for teacher licensure and the statutory and rule requirements on continuing education applicable to teachers seeking to renew their full professional teaching license.

Makes this section effective immediately.

- 65 Teacher licensing; process and procedures.** (a) Directs the Board of Teaching to maintain an online teacher application system that meets the requirements of this paragraph.

(b) Directs the Board of Teaching, after consulting with the department of education if appropriate, to notify a candidate in writing when denying the candidate a license or issuing a restricted license. Allows a candidate to appeal a licensure decision of the board.

## Section

(c) Directs the Board of Teaching to issue a one-year full professional teaching license to otherwise qualified candidates who have not yet successfully completed the licensure exams. Allows the board to renew this license up to three times.

Makes this section effective immediately.

### **66 Data security plan.**

**Subd. 1. Plan components.** Directs the commissioner of education to develop, publish, and oversee a detailed data security plan that combines administrative, physical, and technical safeguards and includes: requirements for accessing K-12 data systems containing personally identifiable information on students, authorizing data and system access for other agencies, authenticating access to such data, protecting student data gathered by an Internet operator that describes or otherwise identifies a student, and sanctions for failing to comply with the guidelines; minimum privacy compliance standards based on reasonable and enforceable security measures and practices; regular privacy and security compliance audits of SLEDS and other data systems; and data retention, storage, disposal, and security policies and protocols.

**Subd. 2. Plan report.** Directs the commissioner to report to the legislature by January 10, 2017, on the department's progress in developing the plan and include cost estimates to further develop and implement the plan.

**Subd. 3. Plan costs.** Directs the education commissioner to use existing department of education resources to develop the data security plan.

**Subd. 4. Plan implementation.** Prohibits the education commissioner from proceeding to implement the data security plan until July 1, 2017.

Makes this section effective immediately.

### **67 Staff development grants for intermediate school districts and other cooperative units.**

For fiscal years 2017, 2018, and 2019 only, provides staff development grants to intermediate school districts and other cooperatives equal to \$1,000 times the full-time equivalent number of licensed instructional staff and nonlicensed classroom aides employed by the intermediate or other cooperative in the previous year. Requires the staff development grants to be used for at least: (1) proactive behavior management; (2) personal safety training; (3) de-escalation techniques; and (4) adapting curriculum and pedagogy for students with complex learning and behavioral needs. Requires the commissioner to pro-rate the grants if available funding is insufficient.

Makes this section effective for fiscal year 2017 and later.

### **68 Student discipline working group.** (a) Creates a student discipline working group to review the substance, application, and effect of Minnesota's Pupil Fair Dismissal Act and related student discipline provisions and to submit written recommendations to the legislature by February 1, 2017, on improving disciplinary policies, practices, and procedures.

(b) Directs the working group to analyze: summary data on students' removal from class and dismissals, disaggregated by various student categories; the meaning and effect of "willful" on dismissal actions; impact of student misconduct on teacher safety; impact of established discipline policies and procedures on teacher safety and student outcomes; students' need for

## Section

and access to professional support service providers; the impact of school resource officers; management of student disciplinary data; and other related matters.

(c) Directs various specified organizations to appoint a member to the study group by June 1, 2016. Allows working group members to seek advice from experts and stakeholders.

(d) Directs the education commissioner to convene the first working group meeting. Directs the working group to select a chair or cochairs and to meet periodically. Directs the commissioner to provide technical and administrative assistance upon request. Makes the members ineligible to receive expenses or per diem payments for their service.

(e) Causes the working group to expire February 2, 2017.

Makes this section effective immediately.

- 69 Northwest regional partnership concurrent enrollment education program.** Creates a continuing education program for concurrent enrollment teachers in Northwestern Minnesota. Requires the Lakes Country Service Cooperative, the Northwest Service Cooperative, and Minnesota State University-Moorhead to provide the program jointly. Requires MSU-Moorhead to develop an online curriculum to allow teachers to attain graduate credits at reduced credit rates. Grants priority in the program to teachers employed by a district that is a member of either of the two Service Cooperatives. Requires the partnership to submit an annual progress report to the legislature, commissioner of education, and the MnSCU Board of Trustees.

Makes this section effective July 1, 2016.

- 70 Grow Your Own teacher residency pilot program.** (a) Establishes a nonconventional teacher residency pilot program in fiscal year 2017 to provide tuition scholarships and stipends to help nonlicensed district employees who hold a bachelor's degree and seek an elementary education license or a license in a subject area for which a teacher shortage exists to participate in a Board of Teaching-approved nonconventional teacher residency pilot program.
- (b) Allows districts and schools not participating under paragraph (a) to use the funds to help paraprofessionals employed in the district or school complete a teacher preparation program and attain a teaching license.
- (c) Directs the commissioners of education and the Office of Higher Education to evaluate the program and by February 1, 2017, submit program recommendations to the legislature, including how to continue and expand the program.

- 71 Pilot project to help struggling students read at grade level.** (a) Establishes a pilot project in fiscal year 2017 to help struggling students in grades 3 to 5 read at grade level. Directs the education commissioner to award a grant to a nonprofit organization to provide three Minnesota public schools with: a software program that uses singing to improve students' reading ability; on-site professional development and instructional monitoring; pre- and post-program assessments; and other project management services. Requires participating schools to identify staff to work with students in the program.
- (b) Directs the commissioner, in consultation with the nonprofit grant recipient, to select an urban, suburban, and greater Minnesota school district to participate based on: the number of

## Section

low-income students in grades 3 to 5 whose reading proficiency is below grade level; the interest of the school staff in the pilot project; and the availability of a computer lab.

(c) Directs with the nonprofit grant recipient to submit a commissioner-reviewed report to the legislature by February 1, 2017, on students' reading gains.

Makes this section effective July 1, 2016.

**72 Legislative auditor.** Asks the legislative auditor to perform a financial audit of the Perpich Center for Arts Education in 2016 and every four years thereafter.

Makes this section effective immediately.

**73 Statewide school teacher and administrator job board.** Directs the Board of Teaching to contract for an electronic job board to post job openings for prekindergarten through grade 12 teaching and administrative positions in Minnesota.

**74 Certification incentive revenue.** Requires the education commissioner to consult with the governor's workforce development council and the P-20 education partnership to compile a list of qualifying career and technical certificates. Provides funding to school districts equal to \$500 times the number of students in the district who earn one or more career and technical certificates.

Caps the statewide revenue amount at \$1,000,000 and authorizes the education commissioner to spread the funding out over the next three fiscal years.

Requires the commissioner to report to the legislature on the program by February 1, 2017, and again on February 1, 2018.

Makes this section effective immediately.

**75 Appropriations.** Appropriates money for education excellence programs. See fiscal worksheet for details.

**76 Appropriation; job board.** Appropriates \$239,000 in fiscal year 2017 from the general fund to the Board of Teaching for an electronic statewide job board. Makes this appropriation available until June 30, 2019.

**77 Appropriation; future teachers grant program.** Appropriates \$4,500,000 in fiscal year 2017 from the general fund to the commissioner of the Office of Higher Education for the Minnesota future teachers grant program. Makes this appropriation available until June 30, 2019.

**78 Appropriation; student teachers in shortage areas; grants.** Appropriates \$1,000,000 in fiscal year 2017 from the general fund to the commissioner of the Office of Higher Education for grants to student teachers in shortage areas. Makes this appropriation available until June 30, 2019.

**79 Appropriation; school-linked mental health services.** Appropriates \$5,000,000 in fiscal year 2017 from the general fund the commissioner of human services for children's mental health grants. Encourages the commissioner to expend the fiscal year 2017 appropriation equally over fiscal years 2017, 2018, and 2019.

## Section

- 80** **Revisor's instruction.** Directs the revisor to codify the section in this article on the innovative delivery of career and technical programs and services.
- 81** **Repealer.** (a) Repeals: the definition of adequate yearly progress under Minnesota Statutes, section 120B.299, subdivision 5; the language under Minnesota Statutes, section 122A.413, subdivision 3, directing a Q-Comp school or district to use an educational improvement plan for site accountability purposes; the Principals' Leadership Academy under Minnesota Statutes, section 122A.74 (leaves in place a Minnesota Principals' Academy appropriation under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 23, in lieu of Minnesota Statutes, section 122A.74); and an obsolete No Child Left Behind review under Minnesota Statutes, section 127A.095, subdivision 2.
- (b) Repeals a direction under Minnesota Statutes, section 122A.413, subdivisions 1 and 2, directing a Q-Comp school or district to develop an educational improvement plan for site accountability purposes.
- (c) Repeals Minnesota Statutes, sections 122A.40, subdivision 11, and 122A.41, subdivision 14, establishing statutory leave of absence provisions, effective July 1, 2017.
- (d) Repeals those subparts of Minnesota Rules defining racially identifiable school within a district, racially isolated school district, and school, effective immediately.

## **Article 9: Charter Schools**

This article modifies charter school provisions.

- 1** **Application content.** (a) Requires an organization applying to be an approved authorizer to describe the organization's capacity to serve as an authorizer. Allows the commissioner to use information about specific individuals when approving an authorizer but not when reviewing an authorizer's performance.
- (b) Allows a school district authorizer to satisfy the requirements for approval as an authorizer – demonstrating how chartering schools helps the applicant realize its mission and the applicant's capacity to serve as an authorizer – and the requirements governing a conflict of interest, an ongoing evaluation, or continuing education by submitting to the commissioner a written promise to comply with these requirements.
- Makes this section effective immediately.
- 2** **Review by commissioner.** (a) Directs the education commissioner to review an authorizer's performance every five years, subject to paragraphs (b) and (c).
- (b) and (c) Require the commissioner to use appropriate criteria, developed in consultation with stakeholders, to review the authorizer's performance. Require the education commissioner to minimize duplicative reporting to the extent practicable. Direct the commissioner, when reviewing an authorizer's performance, not to (1) fail to credit, (2)

## Section

withhold points, or (3) otherwise penalize an authorizer for failing to charter additional schools or for the absence of complaints against the authorizer's chartered schools.

Makes this section effective immediately.

- 3 **Withdrawal.** Makes a technical correction.
- 4 **Contents.** (a) Provides for a pre-operational planning period instead of a pre-operational planning year.  
(b) Directs charter schools to design their programs to meet the world's best work force goals.
- 5 **Mutual nonrenewal.** Allows a change in charter school authorizers if the governing board of an approved authorizer votes to withdraw as an authorizer for a reason unrelated to the statutory causes for not renewing or terminating a charter school contract. When pursuing a change in authorizers under this subdivision, requires the authorizer that is the party to the charter contract to inform the proposed authorizer about unmet contract outcomes, among other required information.
- 6 **Annual public reports.** (b) Requires an authorizer to submit an annual public report to the education commissioner by January 15 for the previous school year ending June 30 that includes at least key indicators of school academic, operational, and financial performance.
- 7 **Cash flow adjustment; charter schools.** Removes the 200 maximum pupil limitation on an eligible special education charter school that requests an accelerated cash flow schedule.
- 8 **Effective date.** Allows prekindergarten deaf and hard-of-hearing pupils to enroll in a charter school beginning in the 2016-2017 school year and deletes a previously enacted condition allowing such enrollment only if the commissioner determined no added cost would be attributable to the pupil.

Makes this section effective immediately.

## Article 10: Special Education

### Overview

This article modifies special education procedures and funding.

- 1 **Planning for students' successful transition to postsecondary education and employment; personal learning plans.** (e) Indicates that if the individualized education program or standardized written plan of a student with disabilities meets the components of a plan required in this section, no additional transition plan is needed.
- 2 **Qualified interpreters.** Strikes a reference to the resource center and substitutes and makes a technical correction to a reference to the state specialist for deaf and hard-of-hearing.
- 3 **Eligibility.** Changes a reference from an individual interagency intervention plan to a standardized written plan.

## Section

- 4 Individualized education programs.** Indicates that if the individualized education program of a student with disabilities meets the components of a personal learning plan, no additional transition plan is needed.
- 5 Student information systems; transferring records.** (a) Directs districts, beginning July 1, 2018, to contract for a student information system that is Schools Interoperability Framework compliant.
- (b) Requires the commissioner of education to certify that MDE's online case management system is compatible with vendor information systems before requiring a district to use an online case management reporting system.
- (c) Requires the commissioner to specify whether a compatible compliant system exists and to list vendor systems that meet compatibility criteria.
- Makes this section effective immediately.
- 6 Facilitated team meeting.** Makes a technical change to refer to a multiagency team.
- 7 Physical holding or seclusion.** (a) Requires a school, before secluding a student, to review and document in the student's individualized education program whether the student has any known medical or psychological conditions that might recommend against seclusion. Strikes obsolete language.
- (b) Directs school districts to provide the education department with data on incidents of seclusion and the students who are secluded. Requires the department to collect and publish the data. Directs the department to contact and provide technical assistance to a school district after reviewing the district's seclusion data. Substitutes references to prone restraints with references to seclusion.
- Makes this section effective for the 2016-2017 school year and later.
- 8 Prohibitions.** Adds prone restraint to the list of prohibited restrictive procedures.
- Makes this section effective immediately.
- 9 Nonresident tuition rate; other costs.** Clarifies that an intermediate school district or special education cooperative may recover its unreimbursed costs of service to special education pupils, including costs for building leases, debt service levies, and indirect costs in membership fees and nonmember access fees from each student's resident district. Clarifies the definition of general education revenue used to compute the nonresident tuition rate.
- 10 Use of reimbursements.** Requires school districts to reserve third-party revenue and spend the revenue only for the purposes enumerated in this section.
- 11 Advisory committees.** (b) Requires the advisory committees for the deaf and hard-of-hearing and for the blind and visually impaired to each review, approve, and submit a biennial report on eligible children's education outcomes to the education commissioner, the legislature, and the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans.

## Section

- 12**     **Special education aid.** Requires the Department of Education to include procedures in the Uniform Financial and Reporting Standards (UFARS) system to track third-party billing proceeds at the school building level. Requires third-party billing revenue to be included in the cross-subsidy report and excluded from the calculation of special education excess cost aid.
- 13**     **Definitions; special education excess cost.** Clarifies the definition of general education revenue used to calculate unreimbursed nonfederal special education expenditures.
- 14**     **Alternative attendance programs.** Clarifies the definition of general education revenue in order to calculate the unreimbursed cost of providing special education and services.
- 15**     **Appropriation.** Increases the special education aid appropriation by \$69,000 per year starting in fiscal year 2017 for additional special education aid to allow the Metro Deaf charter school to directly enroll prekindergarten pupils. Adjusts the appropriation for forecast changes.
- 16**     **Reducing state-generated special education paperwork.** Requires the education commissioner in fiscal year 2017 and in fiscal year 2018 to use existing budgetary resources to remove 25 percent of the state-generated special education paperwork burden on special education teachers.
- Makes this section effective immediately.
- 17**     **Appropriation canceled.** Cancels the remaining portion of the fiscal year 2014 appropriation (\$1,686,000) transferred to MN.IT and returns the unspent balance to the state general fund.

## Article 11: Facilities

### Overview

This article creates a broadband Internet grant program and clarifies the long-term facilities maintenance revenue program.

- 1**     **Definitions; eligible debt service.** Removes energy loans from the definition of eligible debt service.
- 2**     **Radon testing.** Clarifies that a school district's costs associated with radon testing should be included in the district's ten-year facility plan and are eligible expenses under the long-term facilities maintenance revenue program (radon testing was previously covered under a district's health and safety program).
- 3**     **Facilities plan; long-term facilities maintenance revenue program.** Clarifies that a school district's ten-year facilities plan must be updated annually and submitted to the commissioner of education by July 31 of each year.

## Section

- 4 **Long-term facilities maintenance equalization revenue.** Clarifies the calculation of the portion of a school district's long-term facilities maintenance revenue that is subject to equalization.
- 5 **Long-term facilities maintenance equalized levy.** Clarifies that "average tax base per pupil unit" should be calculated using only school district pupil units (and not charter school pupil units) as the denominator.
- 6 **Long-term facilities maintenance unequalized levy.** Defines a district's long-term facilities maintenance unequalized levy as the difference between the district's total long-term facilities maintenance revenue and the district's long-term facilities maintenance equalized revenue.
- 7 **Long-term facilities maintenance equalized aid.** Defines a school district's long-term facilities maintenance equalized aid as the difference between the district's long-term facilities maintenance equalized revenue and the district's long-term facilities maintenance equalized levy.
- 8 **Allowed use for long-term facilities maintenance revenue.** Allows a school district to transfer any long-term facilities maintenance revenue from the general fund (where the program's revenue is currently held) to the district's debt redemption fund to make the principal and interest payments on any bonds issued for long-term facilities maintenance projects.
- 9 **Restrictions on long-term facilities maintenance revenue.** Corrects an erroneous cross reference.
- 10 **Bonds for building calamities.** Transfers the authority for a school district to issue general obligation bonds to fund a rebuilding project resulting from a building calamity (fire, flood, etc.) from the health and safety revenue program to the long-term facilities maintenance program.
- 11 **Review and comment.** Specifically exempts long-term facilities maintenance projects that are already included in a district's ten-year plan from the facilities review and comment process.
- 12 **Deficits; exemption.** Updates an obsolete reference from the capital expenditure fund (a fund that was eliminated about 20 years ago) to the reserve for operating capital account in the general fund.
- 13 **Account transfer for reorganizing districts.** Clarifies that a school district that has reorganized (consolidating or dissolving) is prohibited from transferring funds out of its long-term facilities maintenance account in the general fund.
- 14 **Elimination of reserve accounts.** Closes each district's health and safety accounts (as the program is replaced by the long-term facilities maintenance revenue program) as of June 30, 2019, and transfers any balances into the unassigned general fund. Transfers any balance remaining in the alternative facilities account to the long-term facilities maintenance account in the building construction fund as of June 30, 2016.
- 15 **Energy conservation.** Eliminates obsolete references to energy conservation loans received prior to March 1, 1998.

## Section

- 16 Taconite payment and other reductions.** Replaces obsolete references to health and safety revenue with references to long-term facilities maintenance revenue.
- 17 Required debt service levy.** Clarifies that the required debt service levy does not include amounts necessary for repayment of three types of bonds that have separate revenue authority:
- (1) long-term facilities maintenance revenue bonds (§ 123B.595);
  - (2) bonds for certain capital equipment (§ 123B.61); and
  - (3) bonds for certain capital facilities (§ 123B.62).
- 18 Early repayment.** Authorizes a school district with an outstanding balance on its maximum effort capital loan to refinance its local bonds and repay to the state an amount equal to the remaining original principal amount that is still outstanding and forgives any accumulated interest on the state maximum effort capital loan.
- 19 Internet broadband expansion; innovative grants.** Creates a matching grant program for school districts seeking to expand student connectivity. Authorizes grants of up to \$100,000 per district for equipment and operating costs, increased to \$200,000 for districts that submit a cooperative application. Requires grant applications to demonstrate that appropriate filtering technology will apply to Wi-Fi hot spots.
- 20 Appropriation.** Appropriates \$7,000,000 for Internet broadband expansion grants. Reserves \$5,000,000 for grants for broadband Wi-Fi hot spots and \$2,000,000 for grants to build broad band capacity.
- 21 Repealer.** Repeals the following:
- ▶ § 123B.60, subd. 2. – health and safety revenue pledged for calamity bonds; and
  - ▶ § 123B.79, subs. 2 and 6. – obsolete school fund and account references for technical colleges and certain separation and retirement benefits.

## Article 12: Early Childhood

### Overview

This article allows school districts to integrate their ECFE and School Readiness programs, modifies the early learning scholarship program, prospectively qualifies charter schools for school readiness aid, and appropriates money for early education programs.

- 1 Early learning program coordination.** Allows a school board to adopt a resolution to create an early learning program that combines its ECFE and School Readiness activities. Requires the school board to receive a report from its ECFE advisory council or community education council before combining the programs. Allows a district with a combined program to place its ECFE and School Readiness revenue into a single account and spend the money on the early learning activities outlined in the board's resolution.

## Section

- 2 **Establishment and purpose; ECFE program.** Allows ECFE programming to be provided through an integrated ECFE and School Readiness program.
- 3 **Separate accounts.** Allows a district's ECFE revenue to be kept in its current reserve account or in a combined reserve account with its School Readiness funding.
- 4 **District advisory councils; ECFE.** Requires a school district's ECFE advisory council to assist the board in planning and monitoring an integrated early learning program.
- 5 **Use of revenue restricted; ECFE.** Allows a district's ECFE revenue to be used for integrated early learning programs as well as ECFE programs.
- 6 **Reserve account; ECFE.** Requires a district's ECFE revenue to be kept in its current reserve account or in a combined early learning reserve account.
- 7 **Establishment; purpose; school readiness.** Authorizes a charter school, individually or in cooperation with other charter schools, to establish a school readiness program.
- 8 **Application and reporting requirements; school readiness.** Requires a charter school to apply to the commissioner of education for approval of its school readiness program in the same manner as a school district. Clarifies the timelines for both school districts and charter schools to submit their school readiness plans to the commissioner.
- 9 **Amount of aid.** Authorizes school readiness aid for charter schools if the statutory aid entitlement for the school readiness program is increased beginning in fiscal year 2018. Bases the school readiness aid for charter schools on the number of kindergarten pupils enrolled in the previous year as there is no measure of resident four-year-old children for charter schools.  
  
Makes this section effective for fiscal year 2018 and later.
- 10 **Use of aid; School Readiness.** Allows a school district's School Readiness aid to be used for an integrated early learning program as well for School Readiness programs.
- 11 **Reserve account; school readiness.** Requires a district's School Readiness aid to be kept in its current reserve account or in an integrated early learning program account.
- 12 **Early learning scholarships.** Grants priority and authorizes early learning scholarships for young children if the child is in foster care or otherwise in need of protective services, or the child's family has experienced homelessness (currently scholarships are generally limited to children who are three or four years of age).  
  
Allows the commissioner of education to award a scholarship in an amount higher than the amount based on the child care market rate survey to a homeless child or a child in foster care or otherwise in need of protective services.  
  
Authorizes a newly opened program to acquire the rating of a partner program if the director of the newly opened program was formerly employed by a three- or four-star rated program and the newly opened program is actively pursuing its own rating.
- 13 **Parent-child home program; appropriation.** Increases the appropriation for the parent-child home program by \$2,000,000 for fiscal year 2017. Directs the increase to be used over the next three fiscal years.

## Section

- 14**      **Quality rating system; appropriation.** Increases the appropriation for the Quality Rating and Improvement System by \$2,000,000 for fiscal year 2017 only.
- 15**      **Report on early childhood program providers.** Requires the Department of Education, in cooperation with the Department of Human Services, to report to the legislature on the demographic characteristics of early childhood program staff, administrators, and board members.
- 16**      **St. Cloud Area School District; appropriation.** Appropriates \$430,000 in fiscal year 2017 from the general fund to the commissioner of education for a grant to the St. Cloud Area School District to establish a preschool pilot program directed toward serving low income and English language learners. Allows funds to be used for staff costs, curriculum, equipment, and student transportation. Authorizes the funds to carry forward until expended.

## Article 13: Self-Sufficiency and Lifelong Learning

### Overview

Clarifies adult basic education program language. Provides additional flexibility and funding for GED tests.

- 1**      **Program requirements.** Indicates an adult basic education program is for people not subject to compulsory attendance laws.
- 2**      **Program approval; adult basic education.** Allows an adult basic education consortium to consist of school districts, nonprofit organizations, or both.
- 3**      **GED test fees.** Authorizes the commissioner to pay 100 percent of the fee charged to an eligible individual for the costs of one full battery of GED tests for fiscal year 2017 only.
- 4**      **GED tests; appropriation.** Increases the appropriation for the costs of GED tests by \$120,000 for fiscal year 2017 only. Makes \$125,000 the base appropriation for fiscal year 2018 and later.
- 5**      **Appropriation; adult basic education aid.** Appropriates \$400,000 for fiscal year 2017 only for three adult basic education programs for innovative programming. Allocates the money among the three programs based on the number of students served by each program.

## Section

### Article 14: State Agencies

#### Overview

This article modifies the appropriation for MDE, creates a special license fee fund for teachers and administrator licenses, and makes the appropriation to the Board of Teaching and the Board of School Administrators directly from this fund.

- 1       **Fees; Board of School Administrators.** Requires Board of School Administrators to deposit all license fees collected from school administrators in the new educator licensure account in the special revenue fund (instead of the state general fund).
- 2       **Temporary military license.** Requires the Board of Teaching to deposit any fees received for temporary military licenses in the new account for educator licensure in the special revenue fund (instead of the state general fund).
- 3       **Background checks.** Requires any fees for teacher background checks to be deposited in a new account in the special education revenue fund for educator licensure background checks.
- 4       **Special revenue fund accounts; educator licensure and background checks.** Creates an educator licensure account in the special revenue fund. Requires all licensure fees paid to MDE, the Board of Teaching, and the Board of School Administrators to be deposited in the fund. Creates a background check account in the special revenue fund and appropriates all money out of the fund to the commissioner of education for payment to the Bureau of Criminal Apprehension for educator background checks.
- 5       **Licensure applications.** Requires the fees paid by teacher applicants to be deposited in the new account in the special revenue fund. Clarifies language.
- 6       **Licensure via portfolio.** Requires fees paid by teacher applicants for licensure via portfolio to be deposited in the educator licensure account in the special revenue fund.
- 7       **Annual appropriation.** Annually appropriates all money from teacher license via portfolio fees to the Board of Teaching.
- 8       **Revenue timing; Qcomp.** Clarifies that once a school district is formally approved for Qcomp revenue and receives written notice it is eligible for revenue, the district remains eligible for Qcomp aid as long as the district's plan remains approved.
- 9       **Errors in distribution.** Requires the commissioner of education to determine if Qcomp aid payment errors can be fixed under this section of law, and if not, requires the commissioner to make the Qcomp aid payments from the Department of Education's budget.
- 10      **Appropriations; Department of Education.** Beginning in fiscal year 2017, removes riders on the MDE agency budget for transfer to the Board of Teaching and the Board of School Administrators as these organizations will now receive direct appropriations. Eliminates funding for the Regional Centers of Excellence beginning in fiscal year 2017. Requires the commissioner to transfer funds from the Department of Education's agency budget to the Qcomp appropriation to make aid payments to the affected school districts.

**Section**

- 11**      **Transfers.** Requires the commissioner of management and budget to transfer any balance from the current special account for licensure via portfolio to the new educator licensure account.
- 12**      **Appropriation; Board of Teaching.** Appropriates \$718,000 in fiscal year 2017 from new educator licensure account to the Board of Teaching for the board's operations (this is the amount of the current law rider for the Board of Teaching).
- 13**      **Appropriation; Board of School Administrators.** Appropriates \$231,000 in fiscal year 2017 from new educator licensure account to the Board of School Administrators for the board's operations (this is the amount of the current law rider for the Board of School Administrators).

**Article 15: Forecast Adjustments**

**Overview**

This article is technical and adjusts appropriations for K-12 programs to match the February 2016 forecast.