

HOUSE RESEARCH

Bill Summary

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Overview

This is the 2004 omnibus education finance bill.

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Article 1: General Education

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- 1 1 **Kindergarten.** Defines "kindergarten" to mean a program designed for pupils five years of age on September 1 that prepares children to enter first grade the following school year. Defines prekindergarten programs as a program designed for children under the age of five on September 1 that prepares children for kindergarten.
- 2 **Basic skills intervention.** Directs school districts and charter schools to provide summer school classes to students in grades 9 through 12 who do not receive a passing score on the basic skills tests required for high school graduation. Requires the courses to offer additional instruction in those subject areas where students demonstrate a lack of comprehension.
- 3 **Makes this section effective for summer sessions starting after June 1, 2004.**
Belts and other accessories. Authorizes school safety patrol members to wear Sam Browne belts, vests, sashes, or ponchos in the colors of fluorescent yellow, fluorescent yellow-green, or blaze orange.

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- 4 School safety, patrol flags.** Allows a school safety patrol flag to be either blaze orange with a yellow octagon saying "STOP" in black letters or fluorescent yellow or fluorescent yellow-green with an octagon of sharply contrasting color saying "STOP" in black letters.
- 5 Expenditures by building.** Requires each school district to maintain and report most general fund expenditures by site. Specifically, the expenditures for regular instruction, secondary vocational instruction and school administration must be shown separately for each site. Requires all expenditures for special education instruction, instructional support services and pupil support services provided within a specific building to be attributed to that building. Requires salary expenditures for each building to reflect the actual salaries of the employees at that building. Requires basic skills revenue, first grade preparedness revenue, and state and federal special education aid and Title I aid to be in proportion to district expenditures for those programs by building. Requires the Department of Education to show school building expenditures by school site on the Department of Education's website. Requires other expenditures not specifically identified to be allocated on a uniform per pupil basis per site.
- 6 Budget approval.** Eliminates the former requirement requiring general education revenue to be allocated among school sites. Replaces this requirement with another that requires the school board to inform each principal or other administrative authority about the amount of general education revenue and referendum revenue generated by the pupils in attendance at each site.
- 7 Reorganization operating debt.** Technical correction that eliminates a reference to an obsolete fund.
- 8 Transportation definitions.** Includes in the definition of disabled transportation costs the costs associated with transporting a homeless student from a temporary non-shelter home in another district to the school of origin and the costs associated with transporting a formerly homeless student from a permanent home in another district to the school of origin through the end of the academic year.
- 9 District transportation reports.** Requires that districts exclude the salaries and fringe benefits of district employees whose primary duties are other than transportation from a district's transportation expenditures.
- 10 Definitions; transitions for students with disabilities program.** Clarifies an erroneous cross-reference.
- 11 Placement of children without disabilities.** Requires the district that enrolls a homeless pupil to provide transportation for that student unless the enrolling district and the district in which the pupil is temporarily placed agree that the district where the pupil is temporarily placed shall provide the transportation.
- 12 Compensatory education revenue.** Clarifies the calculation of compensatory revenue for a contract alternative school that switches school district sponsors.
- 13 Transition revenue.** Modifies transition revenue to include in a district's transition revenue that amount of revenue that the district loses due to the elimination of ordinary general education funding for pupils currently participating in kindergarten programs that do not lead to first grade (such as the high 5 program).
- 14 Uses of compensatory revenue.** Exempts compensatory money used for certain prekindergarten programs from the current list of uses of compensatory revenue.
- 15 Compensatory revenue building allocation.** Allows a district to reallocate up to 10 percent of its total compensatory revenue from the school sites where the revenue is earned to certain prekindergarten programs.
- 16 Compensatory revenue; prekindergarten programs.** Allows a school district to use up to

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10 percent of its compensatory revenue for prekindergarten programs for children at least three and one-half years old. Allows districts to use this revenue to contract with private preschools and other providers of prekindergarten programs.

- 17 Referendum revenue.** Eliminates from the referendum ballot question language that requires that the ballot state that the money is used to finance school operations. Removes the need to print an estimated referendum tax rate on the ballot. Allows the ballot to abbreviate the term "per resident marginal cost pupil unit" as "per pupil."

Removes a requirement from the notice that is sent to all taxpayers prior to the referendum that describes the anticipated tax rate increase as an annual percentage (under current law it isn't clear what base this tax rate increase should be calculated upon). The notice is still required to show the actual dollar amount of the increase on typical property types.

- 18 Unemployment insurance levy.** Restores the unemployment insurance levy to the full amount of a district's unemployment insurance costs (the 2003 Legislature limited the unemployment insurance levy to 90 percent of the amount over \$10 per pupil unit). Makes this section effective for levies for taxes payable in 2005 and later.

- 19 Tax levy for judgments.** Restores the levy for unpaid judgments to the full amount of a district's judgments (the 2003 Legislature limited the judgment levy to 90 percent of the amount over \$10 per pupil unit). Makes this section effective for levies for taxes payable in 2005 and later.

- 20 Safe schools levy.** Restores the safe schools levy (formerly called the crime levy) to \$30 per pupil unit (the 2003 Legislature lowered the safe schools levy by \$3 per pupil unit to \$27 per pupil unit). Authorizes a school district that is a member of an intermediate school district to increase its safe schools levy by an extra \$2 per pupil for school safety costs at the intermediate school district. Makes this section effective for levies for taxes payable in 2005 and later.

- 21 Violations of law; withholding state aid.** Allows the commissioner of education to withhold state aid from a charter school or a school district until audited financial statements or audited financial data are submitted to the commissioner.

- 22 Notice to board.** Allows a two-month grace period for submission of audited financial data or statements before an aid penalty can be imposed.

- 23 Violation; aid reduction or withholding.** Prohibits the commissioner from withholding aid if the violation is corrected within the time permitted. Limits the aid withholding for nonsubmission of financial reports and data to one percent of a district's basic revenue.

- 24 Revenue for children of divorced or separated parents.** Allows parents of school children who are legally separated or residing separately to designate the district of residence for their child (this same authority currently exists for divorced parents).

- 25 Cross-subsidy reports.** Authorizes the Department of Education to compute the estimated cross-subsidies of special education services and basic skills services with other general education revenue (these reports are currently being developed under a separate statutory charge that is being amended in this bill).

- 26 School bus inspection.** Specifies who may perform mandatory annual inspection of school buses and Head Start vehicles. Under present law annual inspection and certification may only be made by members of the State Patrol.

Subd. 1. Annual requirement. Deletes the requirement that only the State Patrol may

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conduct annual inspections of school buses.

Subd. 1a. Inspector certification. Allows annual inspection of school buses to be performed by Department of Public Safety employees or other persons who have been certified by the commissioner after State Patrol training. Provides that a person who is not a DPS employee may be certified if the person is:

- an owner of one or more school buses or Head Start buses, or employee of an owner
- an employee of a school district or nonpublic school that owns school buses
- a school bus or Head Start vehicle dealer
- a person in the business of repairing and servicing school buses and Head Start vehicles

Makes certification effective for two years. Allows the department to require biennial training of inspectors. Allows a fee of up to \$10 for the inspector certificate. Allows inspectors to charge a reasonable fee for each inspection.

Allows the department to classify vehicles for inspection purposes and issue separate classes of inspector certificates, based on whether the inspector may inspect only those vehicles the inspector owns or leases or may inspect any vehicle regardless of ownership.

Provides for suspension of certificate for failure to meet annual certification requirements. Provides for revocation of certificate for issuing an inspection decal if the inspector knew or should have known that the vehicle was in out-of-service condition.

Subd. 1b. Report. Requires an inspector to issue a report to the vehicle owner for each vehicle inspected.

Subd. 2. Decal. Deletes reference to State Patrol inspection. Changes inspection certificate to inspection decal.

Subd. 3. Rules. Makes a cross-reference.

Subd. 4. Violation. No change.

Subd. 5. Random inspection. Deletes reference to State Patrol inspection.

27 **Proposed levy.** Clarifies the levy process that school districts follow when submitting their proposed levies to the county auditor.

28 **General education aid appropriation.** Adjusts the general education aid appropriation for forecast changes and to reflect shift savings.

29 **Kindergarten reporting.** Allows school districts to continue reporting certain

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- prekindergarten pupils in their pupil counts for revenue for fiscal years 2004 and earlier.
- 30 Trial transportation fee.** Authorizes a school district to adopt a fee schedule for pupil transportation services. Requires the district to establish fee guidelines so that no student is denied transportation solely because of inability to pay the fee. Limits the total fees to not more than the prior years' fees adjusted for increased costs or expanded student transportation services. Limits the fees to a three-year period from fiscal year 2005 to 2007.
- 31 Compensatory revenue allocation; test score pilot program.** Authorizes the Anoka school district to reallocate its compensatory revenue on the basis of test scores. Requires the Anoka school district to notify the commissioner of education of its plan to reallocate compensatory revenue. Requires the plan to: (1) identify the test results and other indicators that will be used to assess student performance; (2) describe the method the district will use to distribute the compensatory revenue; and (3) summarize the evaluation procedure the district will use to determine if the redistribution of compensatory revenue results in an improvement in student performance and other adequate yearly progress indicators. Requires the Anoka school district to report annually to the legislature and the commissioner about the effectiveness of the pilot program.
- 32 Levy; Carpenter school buses.** Authorizes a school district that owns Carpenter school buses with potentially defective welds to levy up to \$30,000 per bus to replace the buses. Allows the district to spread the levy out over a five-year period.
- 33 Repealer.** Repeals the current provision allocating general education revenue among buildings (this procedure is replaced with other provisions in this article).

Article 2: Academic Excellence

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- 1 1 Scope.** Classifies school accountability data as nonpublic data in chapter 120B governing school accountability.
- Makes this section effective immediately.
- 2 Scope.** Classifies teacher data generated from a value-added assessment model as nonpublic data in chapter 120B governing school accountability.
- Makes this section effective immediately.
- 3 School accountability.** Makes nonpublic data involving school performance report cards and adequate yearly progress determinations subject to section 120B.36 governing school accountability appeals.
- Makes this section effective immediately.
- 4 Students must attend school to obtain, keep a driver's license or permit.** (a) Allows public school boards to vote by September 30 to waive (or rescind waiving) the requirement that students attend school in order to obtain and keep their provisional driver's license or permit.
- (b) Defines "board" to mean a school district board, a board of a state-approved alternative program or a charter school board of directors.

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5 **Graduation requirements; course credits.**

Subd. 1. Required number of course credits. Requires three math credits sufficient to satisfy the grades 9, 10 and 11 academic math standards. Strikes specific credit distribution requirements related to the subject areas that are part of the social studies standards.

Subd. 2. Rigorous course of study; waiver. Establishes a waiver procedure to allow students to participate in a rigorous course of study, including an advanced placement, international baccalaureate or post secondary enrollment options course or program or other outside learning opportunity and to receive credit for satisfactorily completing the course or program. Directs four-year public and private post secondary institutions to annually notify the commissioner of the rigorous courses offered at the institution. Makes students who entered the ninth grade before the 2003-2004 school year eligible for this waiver.

6 **Reading record.** Directs schools to include in the permanent education records of K-3 students a reading record that uses a detailed screening to identify students' reading strengths and weaknesses and their progress measured by other early reading indicators. Requires schools to record students' reading progress in their permanent academic record each year. Requires the reading record to follow student transfers. Directs the commissioner, with school district input, to develop a sample record.

7 **Student academic progress.**

Subd. 1. Student retention. (a) Requires public elementary schools to consider retaining students without promotion to the subsequent grade when (1) students are absent from class for more than 20 percent of the time over at least 120 school days, (2) students achieve below grade level scores on reliable state or district tests, and (3) schools determine that the students failed to master academic skills needed in the next grade. Requires schools to provide differentiated instruction to all such students.

(b) Defines differentiated instruction to mean an instructional framework that allows classroom teachers to best meet students' individual and diverse needs. Allows schools to determine the scope of the differentiated instruction.

Subd. 2. Appeal of decisions to retain a student. Requires schools to discuss with students and parents the student's proposed retention and provide timely notice of the school's decision to promote or retain the student. Allows a parent to submit a written appeal to the superintendent within 20 days of receiving the notice. Requires the superintendent to issue a written final decision.

Subd. 3. Exemption. Exempts a student with an individualized education plan and a pupil of limited English proficiency from this section.

Subd. 4. School policy. Requires schools to adopt a student retention policy by 8/1/05.

Makes this section effective for the 200-2006 school year and later.

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8 Gifted and talented program development and student identification.

Subd. 1. Purpose. Declares that it is critical to identify and appropriately serve gifted and talented students.

Subd. 2. Student identification. Establishes seven parameters for identifying, assessing, and placing gifted and talented students.

9 Scholars of distinction program administration. (a) Directs the education commissioner to expand the scholars of distinction program to include the subjects of math, science, leadership, and theater arts and to establish statewide coordinating boards to oversee this expansion. Requires the statewide coordinating boards to include representatives of K-12 schools, higher education institutions, business and others with relevant math, leadership, and theater arts knowledge and skills. Directs the statewide coordinating boards to: administer the program to give as many students as possible the opportunity to participate; establish a certification panel to determine whether students have met the requirements for a particular subject; assist interested schools and other organizations to establish the program; and seek permanent funding to continue the program.

(b) Directs participating students to demonstrate mastery of a subject and apply their knowledge and skills to projects. Awards small scholarships to students who earn a scholar of distinction honor. Notes in the record of a student who successfully completes the program that the student is a Minnesota scholar of distinction in a particular subject.

10 School accountability; appeals process.

Subd. 1. School performance report cards. (e) Makes school performance report cards nonpublic data until the education department posts the data on its public website. Directs the department to annually post the data by September 1.

Subd. 2. Adequate yearly progress data. Classifies data obtained for purposes of determining adequate yearly progress under the federal No Child Left Behind Act as nonpublic data until the education department posts the data on its public website. Requires school districts to give parents enough data to permit an appeal of a school's adequate yearly progress designation under the federal No Child Left Behind Act. Directs the department to annually post the data by September 1.

Makes this section effective immediately.

11 Value added assessment program. (a) Directs the education commissioner to develop a value-added assessment program that assists public schools in assessing and reporting growth in students' academic achievement, consistent with Minnesota's statutory testing and reporting requirements. Directs that program assessments include longitudinal comparisons in individual students' educational progress over time. Allows school districts, public schools and charter schools to apply to the commissioner to participate in the program. Directs the commissioner to select participants from urban, suburban and rural areas throughout the state and limits participation to a maximum of 125,000 students.

(b) Allows the commissioner to contract with an organization that uses a value-added assessment model to reliably estimate how a single teacher teaching multiple subjects to the

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same students and a team of teachers or other team teaching arrangements affect student achievement and school and district performance. Declares data on individual teachers generated from the model as private data. Requires the model to accommodate diverse test data from various sources and use incomplete student test data across grades and subjects.

(c) Requires the commissioner's contract to exemplify a "best value" result.

Makes this section immediately effectively.

12 School board policy opposing bullying. Directs school boards to adopt a written policy opposing bullying, annually notify students, teachers and others of the policy and to publish the policy in the student handbook where available.

13 Exclusions. Allows students to use prescription nonsyringe injectors of epinephrine if the parent and prescribing medical professional annually inform the school in writing that (i) the student may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and requires immediate access to nonsyringe injectors of epinephrine that the parent provides properly labeled to the school as needed.

Makes this section effective for the 2004-2005 school year and later.

14 Parent notification and meeting. Directs school districts to make a reasonable attempt to convene a meeting with a parent when a student has been removed from school for more than 10 cumulative days in a school year and, with the parent's permission, suggest arrangements for a mental health screening for the student. Declares that the purpose of the meeting is to determine whether the student should be screened, assessed, diagnosed or treated for a mental health disorder.

15 Good faith exception. Provides a good faith exception for liability arising from a technical violation of a district bullying policy.

16 Comprehensive, scientifically-based reading instruction. Redefines "comprehensive, scientifically-based reading instruction" to include, at a minimum, proven instructional practices/programs/methods that allow students to make satisfactory reading progress. Requires the program to include at least instruction in five reading areas: phonemic awareness, phonics, fluency, vocabulary, and text comprehension. Declares that "comprehensive, scientifically-based reading instruction" also includes continuous assessment and diagnosis of students' reading needs and progress in order to help students of all ages and reading levels read and comprehend text and apply higher order thinking skills.

17 License and rules. Allows the Board of Teaching to adopt rules to exempt from reading preparation requirements applicable to teachers renewing their licenses those teachers whose assignments do not include direct classroom instruction.

Makes this section effective immediately.

18 District reimbursement for cost of substitute teacher. Allows the state board of school administrators to reimburse a school district for the costs of a substitute teacher when the regular classroom teacher is serving on the board.

19 Highly qualified teacher defined. (b) Defines highly qualified teachers as those who satisfy paragraph (b), (c), or (d) so that highly qualified teachers include:

(1) all elementary teachers newly hired at the start of the 2002-2003 school year or later to teach in a Title I, Part A program who are licensed, have a four-year degree and pass a

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rigorous state test demonstrating subject knowledge and teaching skills; and

(2) all middle and secondary teachers newly hired at the start of the 2002-2003 school year or later to teach in a Title I, Part A program who are licensed, have a four-year degree and demonstrate a high level of competency by passing a rigorous subject area test or successfully completing equivalent academic work or receiving advanced certification.

Requires all teachers, other than rural teachers and those newly hired to teach in a Title I, Part A program, that provide direct instruction to students in core academic subjects to satisfy the definition of highly qualified teacher under clause (1) or clause (2) or through the High Objective Uniform State Standard of Evaluation (HOUSSE) process described in paragraph (b) by the end of the 2005-2006 school year. Allows rural teachers that provide direct instruction to students in core academic subjects to satisfy the definition of highly qualified teacher under clause (1) or clause (2) or complete the HOUSSE process described in paragraph (b) by the end of the 2006-2007 school year.

Declares that core academic subjects include English, reading or language arts, math, science, world language, civics and government, economics, history and arts including music, visual arts, theater arts, and dance.

(c) Declares as highly qualified all those Minnesota teachers who hold licenses and teach in a core academic subject in which they are licensed.

(d) Allows those Minnesota teachers teaching in a core academic subject in which they are not fully licensed and thereby not highly qualified to apply to the education commissioner to complete the HOUSSE process to become highly qualified. Requires HOUSSE applicants to document their students' academic growth, professional recognition, experience teaching in a core subject area, Praxis II test results, advanced certification, successfully-completed course work and professional development activities. Requires school districts to assign a school administrator to serve as a HOUSSE reviewer to meet with teachers and certify their applications. Declares as highly qualified those teachers who receive at least 100 points in these areas and allows teachers to satisfy the definition of highly qualified in multiple subject areas within a single academic discipline.

Makes this section effective immediately.

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Reading strategies. (a) Strikes language requiring teacher preparation programs to include reading best practices that enable teacher candidates to know how to teach reading and adds language requiring teacher preparation programs to include research-based best practices in reading, consistent with the definition of "comprehensive, scientifically-based reading instruction," that enable teacher candidates to know how to teach reading in their content areas.

(b) Requires teacher preparation programs in reading for elementary school teachers to (1) teach students to read using knowledge, practices, and strategies, consistent with the definition of "comprehensive, scientifically-based reading instruction," so that students achieve continuous reading progress and (2) teach specialized instruction in reading strategies, interventions, and remediations so that all students can be proficient readers.

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- 21 Literacy specialist licensure.** Requires the Board of Teaching by July 1, 2005, to adopt rules for licensing literacy specialists with sufficient training and experience to assist other teachers to effectively teach reading. Requires candidates for this license to successfully complete training in comprehensive, scientifically based reading instruction, consistent with the definition of "comprehensive, scientifically-based reading instruction," and a graduate level degree in reading or literacy.
- 22 Mandatory reporting.** Requires school boards to report to the Board of Teaching or the Board of School Administrators when a teacher or administrator is suspended without an investigation on one of three statutory grounds for teacher discharge or demotion or for maltreatment of a minor.
- 23 Possession and use of nonsyringe injectors of epinephrine; model policy.** (a) Directs a student's parent, school staff including those responsible for student health care, and the prescribing medical professional each year to develop and implement an individualized written health plan for a student who is prescribed nonsyringe injectors of epinephrine so that the student may possess or have immediate access to the epinephrine. Requires the plan to designate school staff responsible for implementing the plan and allows the plan to be included in the student's 504 plan.

(b) Defines school to include public schools and nonpublic schools, excluding home schools, that are subject to the Americans with Disabilities Act. Encourages other nonpublic schools to comply with this section.

(c) Declares a school district and its agents and employees immune from liability for acts or failures to act, made in good faith, in implementing this section.

(d) Allows the education commissioner to develop a model policy and health plan form that assess a student's ability to safely possess epinephrine, identify staff training needs, accommodate a student's need to possess or have immediate access to epinephrine, and ensure that the student's parent provides the school with properly labeled nonsyringe injectors of epinephrine for the student as needed.

Makes this section effective for the 2004-2005 school year and later.

- 24 Teacher training program for qualified professionals.**

Subd. 1. Requirements. (a) Establishes a teacher training program in various instructional fields for up to 300 qualified professionals each year to acquire an entrance license, which is an alternative to postsecondary teacher preparation and alternative licensure programs.

(b) Requires applicants to have a bachelor's degree from an accredited four-year postsecondary institution and an undergraduate major or post baccalaureate degree in the subject to be taught and to pass a required basic skills exam in reading, writing, and math.

Subd. 2. Program. Requires the teacher training program to include 200 clock hours of classroom management, curriculum, and instruction training and at least 5 seminars

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totaling 20 clock hours during the applicant's first year of teaching.

Subd. 3. Program approval. Requires the education commissioner to approve the teacher training programs based on criteria developed by a commissioner-appointed advisory group that includes at least representatives of the Board of Teaching and postsecondary institutions, including institutions that offer degrees in teacher preparation.

Requires the commissioner to report to the Higher Education Committees of the legislature by January 15, 2005, on the criteria developed by the advisory group.

Subd. 4. Program delivery. Authorizes postsecondary institutions, district teacher academies, and other entities to apply to deliver teacher training programs for a maximum of 300 teachers per year seeking alternative licensure.

Subd. 5. Eligibility license. Allows an applicant who successfully completes 200 clock hours of training to receive a one-year eligibility license to teach. Requires a school district during the one-year eligibility period to assign a mentor teacher with a regular teaching license. Requires the applicant teacher and mentor to meet at least once per two weeks.

Subd. 6. Standard entrance license. Directs the Board of Teaching to issue a standard entrance to a training program licensee who successfully completes 200 clock hours of training and 5 seminars of at least 20 clock hours, teaches in a classroom for one complete school year, pass the Praxis II pedagogy test, and receives a positive recommendation from the school principal or other district or school administrator.

Subd. 7. Qualified teacher. Defines a person with a valid eligibility license as a qualified teacher.

Subd. 8. Evaluation and report. Requires the legislative auditor to evaluate the alternative licensure program and report to the legislature every three years beginning with February 1, 2008.

25 **Employees, contracts for services.** (a) Makes school board authority to contract or subcontract for services an inherent managerial right, unless that power is specifically prohibited by collective bargaining agreements with all units of affected employees.

(b)-(d) Allow either party to declare an impasse after 45 days of mediation, at which point the current collective bargaining agreement expires and the employer may contract with others for services. Declare that the mediation period begins the day after the Bureau of Mediation Services commissioner receives a mediation request. Exclude teachers, superintendents, assistant superintendents, principals and assistant principals from these provisions.

Makes this section effective for contracts negotiated and entered into on or after July 1, 2004, and contracts beginning negotiation, but not entered into, before July 1, 2004.

26 **Duties.** Prohibits a school board from entering into an agreement limiting the ability of the

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school superintendent to assign and reassign teachers and administrators to schools in which the teachers will teach or administrators will administer, except that the board may reserve assignment and reassignment rights for purposes of a school site decision making agreement.

Makes this section effective for agreements entered into on July 1, 2004, and later.

27 **Contract; duties.** (3) Adds to a school superintendent's duties the responsibility of assigning teachers and administrators to schools to best meet school and student needs as determined by the superintendent.

(5) Eliminates the requirement that a superintendent submit to the Department of Education an annual report that identifies the superintendent's best estimates of the expenditure level the district would need to have in order to reach an 80 percent student passage rate on the basic standards tests.

Makes this section effective immediately.

28 **Board members' right to employment.** Increases from \$5,000 to \$8,000 per fiscal year the maximum allowable amount of a contract between a school board member and the school district.

Makes this section effective July 1, 2004.

29 **School board may require fees.** (10) Allows a school board to charge fees to an enrolling charter school for district costs related to transporting charter school students who participate in extracurricular activities in the resident school district.

(13) Authorizes a school board to charge a fee for summer school classes that are unrelated to high school graduation.

Makes clause (13) effective immediately.

30 **Board control of extracurricular activities.** (a) Makes all resident students enrolled in a charter school eligible to fully participate in the extracurricular activities in their resident district on the same basis as public school students enrolled in the district's schools. Requires a charter school student to give the enrolling charter school a 30-day notice of the student's intent to participate in an extracurricular activity in the resident district. Precludes a charter school student from participating in an extracurricular activity in the resident district if the charter school offers that activity. Requires a charter school student who participates in an extracurricular activity in the resident district to meet the academic and student conduct requirements of the resident district. Requires the charter school to collect information about a student's eligibility to participate in an extracurricular activity, transmit the information to the resident district at least 10 days before the student participates in an extracurricular activity and immediately transmit any additional information about the student's eligibility.

(f) Allows school districts to charge charter schools their proportionate share of the direct and indirect costs of the extracurricular activities not covered by student fees. Allows school districts to charge charter school students the same fees charged to students enrolled in district schools. Indicates that a resident school district need not transport from the charter school to the resident district those charter school students who participate in extracurricular

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activities in the resident district.

Makes this section effective for the 2004-2005 school year.

- 31 Financial arrangements; on-line learning.** Clarifies that a pupil who is enrolled in an instructional program in which at least 40 percent of the total instruction takes place within a school's facilities is counted as an ordinary pupil, not an on-line pupil.

Makes this section effective immediately.

- 32 Sponsor.** (a) Adds the board of the Perpich Center for Arts Education to the list of eligible charter school sponsors.

(c) Allows the education commissioner to approve up to five qualified "501(c)(3)" charitable organizations as charter school sponsors. Requires that proposals from these charitable organizations to sponsor a charter school include (1) articles, bylaws and initial board membership, (2) financing sources for the school's operations, (3) areas of specialization related to sponsoring the school, and (4) other information the department requests. Directs sponsors approved under this paragraph annually to report to the commissioner on the charter schools sponsored, the schools' effectiveness in promoting student achievement, the development of alternative school governance structures and other information the department requests. Allows the commissioner to terminate the commissioner's approval of a sponsor under this paragraph if the sponsor demonstrates persistent financial mismanagement or repeated violations of law.

- 33 Formation of school.** (c) Allows but no longer requires teachers to be a majority of the members of the board of directors during the first three years a charter school operates and strikes the commissioner's authority to waive the requirement that teachers compose a majority of board members.

- 34 State and local requirements.** (m) Makes charter schools subject to the provisions governing the participation of charter school students in the extracurricular activities of their resident school district.

Makes this section effective for the 2004-2005 school year.

- 35 Payment of aids to charter schools.** (d) Requires a charter school in its first three years of operation to submit a school calendar to the department, in addition to quarterly reports, as a condition of receiving state aid payments. Requires a charter school in its fourth and subsequent years of operation to submit a school calendar to the department, in addition to enrollment information.

- 36 Membership.** (a) Declares that the Minnesota Commission on National and Community Service consists of 26 voting members, including the education commissioner. Removes representatives of the children's cabinet and the executive director of the Higher Education Services Office as voting members of the commission.

(b) Directs the governor to appoint nine, instead of 15 additional voting members. Makes an individual between age 16 and 25 who participates in or supervises a commission program a voting member. Requires the remaining 16 voting members appointed by the governor to include individuals with expertise in managing and operating a nonprofit corporation, including individuals with expertise in public relations, finance, and development. Strikes language requiring voting members appointed by the governor to include individuals with

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expertise in the educational, training, and developmental needs of youth, including disadvantaged youth.

(c) Directs the governor to appoint up to five ex officio nonvoting members from appropriate state agencies. Strikes language naming specific agencies and organizations as ex officio nonvoting members.

37 Program training. Requires the Minnesota Commission on National and Community Service, within available resources, to orient each grantee organization in the nature, philosophy and purpose of its program. Strikes language requiring grantee organizations to train participants.

38 Definitions.

Subd. 1a. Primary language. Defines "primary language" as a language other than English that a child uses or speaks in the home or that a parent declares is the child's primary language under some circumstances. Requires at the time of district enrollment that a student's primary language also be determined with a home language questionnaire.

Subd. 1b. Language minority student. Defines "language minority student" as a K-12 student with a primary language other than English.

Subd. 2. English language learner. Redefines a limited English proficiency student as an English language learner.

Subd. 2a. Transitional language learner. Defines transitional language learner as a student who is a language minority student, demonstrates proficiency on an approved English language acquisition test, and three times or within the last three academic years in Minnesota has not yet demonstrated proficiency on a state reading assessment aligned with state academic standards.

Subd. 2b. Fluent language learner. Defines fluent language learner as a K-12 student who is a language minority student, demonstrates proficiency on an approved English language acquisition test, and three times or within the last three academic years in Minnesota has demonstrated proficiency on a state reading assessment aligned with state academic standards.

Subd. 3. Essential instructional personnel. Strikes teachers with training to teach limited English proficiency students from the definition of "essential instructional personnel."

Strikes and amends existing statutory language to be consistent with the definitions in this section.

39 General requirements for programs. Establishes new and amends existing requirements for English language learner programs.

40 Community transition interagency committee. Includes representatives of the mental health community as members of community transition interagency committees.

41 Supervised competitive high school diving. Strikes language governing supervised

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competitive high school diving that requires schools and school districts to use a pool that complies with health department standards for competitive diving pools if such a pool is available within the district. Strongly encourages schools and school districts to use diving pools that satisfy health department standards.

Makes this section effective immediately.

- 42** **Persons not eligible.** Requires persons under age 18 to present a certificate to the Department of Public Safety either verifying school attendance or waiving the attendance requirement as a condition for the department to issue a provisional driver's license.

Makes this section effective September 1, 2004, and applicable to all persons under age 18 who possess or apply for a driver's instruction permit or provisional license on or after that date.

- 43** **Person less than 18 years of age.** Authorizes the Department of Public Safety to issue an instruction permit to a qualified applicant who presents a certificate verifying school attendance or waiving the attendance requirement.

Makes this section effective September 1, 2004, and applicable to all persons under age 18 who possess or apply for a driver's instruction permit or provisional license on or after that date.

- 44** **Instruction permit use by person under age 18.** Requires permit holders to comply with school attendance requirements where applicable. Directs the public safety commissioner to cancel the permit of a permit holder who does not attend school.

Makes this section effective September 1, 2004, and applicable to all persons under age 18 who possess or apply for a driver's instruction permit on or after that date.

- 45** **Motorized bicycle.** Allows the department to issue a motorized bicycle instruction permit to an otherwise qualified 15 year old applicant who presents a certificate verifying school attendance or waiving the attendance requirement.

Makes this section effective September 1, 2004, and applicable to all persons under age 18 who possess or apply for a motorized bicycle instruction permit on or after that date.

- 46** **School attendance required for driver's instruction permit, motorized bicycle permit, and provisional license.**

Subd. 1. Definitions. Defines administrator, board, school, and superintendent under this section.

Subd. 2. Issuing or renewing a driver's instruction permit, motorized bicycle permit, or provisional license. (a) Makes school attendance a condition for persons under 18 to receive a new driver's instruction permit, motorized bicycle permit, or provisional license or to renew a permit except when a school board waives the school attendance requirement. Indicates that a person satisfies the school attendance requirement by (1) receiving a high school diploma or its equivalent, (2) formally withdrawing from school, or (3) enrolling and attending school in good standing.

(b) Requires a person under age 18 who applies for a driver's instruction permit,

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motorized bicycle permit, or provisional license to submit information certifying that one of the conditions under paragraph (a) is met.

(c) Requires the school administrator to certify the applicant's attendance record for the current and preceding school year to the extent the information is available. Directs the Department of Public Safety to develop a form for school administrators to complete that includes the applicant's name, date of birth, and address. Requires schools to obtain parents' written consent to release to the Department of Public Safety nonpublic data and any data not defined as directory information. Directs public schools to include a notice in the school attendance policy that the school will request parents' consent to release nonpublic attendance-related data on their student to the Department of Public Safety.

Subd. 3. Canceling a permit or license. (a) Directs the Department of Public Safety to cancel the instruction permit, motorized bicycle permit, or provisional license of a person under age 18 when the person's school notifies the department that the person (1) is a truant, (2) has not formally withdrawn from school, and (3) has not received a diploma or GED.

Directs the Department of Public Safety to notify the person that the person's instruction permit, motorized bicycle permit, or provisional license is cancelled five days from the date of the notice. Requires the school to inform the student's parent about a hardship waiver. Requires the school to obtain the parent's consent to release nonpublic data.

(b) Directs the Department of Public Safety to cancel an instruction permit or license when: (1) the person becomes age 18; (2) the person attends school for 120 days after the cancellation notice is issued; or (3) the expulsion is dismissed at the school board's direction.

(c) Requires schools to (1) transmit an electronic notice to the Department of Public Safety to rescind the cancellation after obtaining the parent's written consent to release nonpublic data.

Subd. 4. Hardship waiver. Allows a person to request a hardship waiver from the school. Requires a hearing within seven days of the request. Directs the superintendent to appoint an advisory committee to hear evidence and recommend in writing within two days of the hearing whether or not to cancel the person's instruction permit, motorized bicycle permit, or provisional license. Allows the school, the person facing cancellation of a permit or provisional license, and the person's parent or guardian to present evidence. Requires the superintendent within seven days of the hearing date, and after receiving parents' consent to release data, to electronically inform the Department of Public Safety of a decision about whether or not to reinstate the person's permit or provisional license. Makes the superintendent's decision final.

Makes this section effective September 1, 2004, and applicable to all persons under age 18 who possess or apply for a driver's instruction permit, motorized bicycle permit, or

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provisional license on or after that date.

- 47** **Petition for license reinstatement.** Prohibits appeals of a decision to cancel a provisional license or permit due to a student failing to attend school.
- 48** **Notice to parent or guardian when a child is a continuing truant.** Adds to the truancy notice sent to a child's parent or guardian information that the school, after obtaining parents' consent to release the data to the Department of Public Safety, must notify the department to cancel the child's license or permit when the child is truant, unless the school waived the attendance requirement.
- Makes this section effective September 1, 2004.
- 49** **Integration aid appropriation.** Adjusts the integration aid appropriation to match forecast changes and increases the fiscal year 2005 appropriation by \$6,000 to reflect the impact of the drivers license provisions.
- 50** **Best practices grant appropriation.** Reduces the best practices grant by \$750,000 for fiscal year 2005.
- 51** **Alternative teacher compensation appropriation.** Adds language that allows any unspent appropriation for this program in fiscal year 2004 to carry forward into fiscal year 2005.
- 52** **Examination fees; AP/IB.** Removes the appropriations rider that set aside \$375,000 of the \$778,000 appropriation for direct state support of advanced placement and international baccalaureate programs.
- 53** **Youthworks program appropriation.** Sets the budget base for the Youthworks program at \$900,000 for fiscal year 2006 and \$500,000 for fiscal year 2007.
- 54** **On-line learning appropriation.** Increases the funding for on-line learning by \$1.5 million per year beginning in fiscal year 2005.
- 55** **Rulemaking authority.**

Subd. 1. Supplemental education service providers. Directs the commissioner to adopt permanent rules on supplemental education service providers.

Subd. 2. Statewide testing. Directs the commissioner to adopt rules on administering statewide accountability tests to ensure test security, integrity and results.

Makes this section effective immediately.

- 56** **School innovation and cooperating planning grants.**

Subd. 1. Grant programs. Authorizes the education commissioner to award planning grants to service cooperatives, two or more cooperating school districts or cooperating charter schools that work together to improve the delivery and cost effectiveness of instructional and noninstructional programs and services and increase funds available for instruction-related purposes.

Subd. 2. Report. Requires grant recipients to report to the commissioner annually by August 1 on coordinating noninstructional programs and services and estimates of cost savings realized by coordinating noninstructional programs and services during the preceding school year.

- 57** **Pilot project recognizing teachers' critical role in improving student achievement and**

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school performance.

Subd. 1. Project goal defined; application process established; recognition conferred. (a) Establishes a five-year pilot project beginning in the 2005-2006 school year to recognize teachers' critical role in improving student achievement and school performance in those district and charter elementary schools that have consistently failed to demonstrate adequate yearly progress and where at least 28 percent of the student population is eligible to receive a free or reduced price meal. Requires participating elementary schools to use assessments of students' academic achievement to make longitudinal comparisons of each student's academic growth over time in order to measure teachers' critical role in improving student achievement and school performance. Allows districts, on behalf of a district elementary school, and charter elementary schools to apply to the education commissioner to participate in the project. Requires a plan described under paragraph (c) to accompany the district or charter elementary school application. Directs the commissioner to consider selecting project participants from urban, suburban and rural areas and limits participation to three elementary schools.

(b) Defines "principal" to mean the school principal or other person having administrative control of the school. Allows the principal to receive additional compensation, consistent with the plan submitted to the commissioner under paragraph (c).

(c) Requires an elementary school, in consultation with the district where applicable, and subject to the commissioner's approval, to develop a plan consistent with subdivision 2 or 3 that:

(1) delegates specific powers and duties, allows the principal to decide how to allocate financial and personnel resources and from whom to purchase goods and services, and allocates revenue to the school, where applicable;

(2) includes a design for implementing a value-added assessment model that reliably estimates teacher and school effects on students' academic achievement over time for different classroom settings, for team teaching arrangements and for other teaching circumstances; and

(3) records student attendance.

Requires the school plan to accommodate diverse data from various test sources and use each student's test data across grades and subjects, even when the data are incomplete. Declares that data on teachers generated under a value-added assessment model are private data.

(d) Requires the principal, using the data acquired under paragraph (c), clause (2), to measure improvements in student achievement and school performance, and identify and recognize those classroom teachers who have successfully fostered educational improvement and are therefore eligible to receive added compensation under this subdivision. Directs the principal to determine the amount of added compensation each eligible teacher receives and the payment schedule, consistent with the plan submitted to the commissioner. Limits a teacher's total annual salary under this

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section to \$100,000.

Subd. 2. Participating charter elementary schools. Declares that all provisions of the state's charter school law apply to a charter elementary school participating in the project under this section, consistent with the plan approved by the commissioner, except: (1) a charter elementary school contract must be entered into or extended for a five-year term beginning in the first school year of participation unless the school board or the commissioner terminates the school's participation; and (2) a charter elementary school must report information required by the commissioner under this section and consistent with state data practices laws. Allows the charter school sponsor or the commissioner to terminate the school's participation during the project term for specified grounds.

Subd. 3. Participating district elementary schools. (a) Declares that statutory provisions governing charter elementary schools apply to a participating district elementary school during the term of the pilot project to the extent described in this subdivision, and consistent with the plan approved by the commissioner. Directs that the words "participating school" be substituted for "charter school", the words "school district" be substituted for "sponsor" and the word "plan" be substituted for "contract" under the charter school law.

(b) Declares that charter school provisions under Minnesota Statutes, section 124D.10, subdivisions 1, 2, 2a, 3, 4 except as provided in paragraph (c), 6a, 9, 10, 15, 16 except as provided in paragraph (i), 17, 18, 19, 21, 23a, and 24 do not apply to a participating school under this section.

(c) Requires a participating school to select a board of directors composed of at least five members, one of whom must be the principal.

(d) Requires a participating school to initiate its participation in the project at the beginning of a school year and to agree to continue participating for five school years unless the school board or the commissioner terminates its participation under paragraph (k).

(e) Requires the plan of a participating school to establish how the school will be managed and administered and how the school will comply with:

- (1) state human rights laws;
- (2) requirements for gender equity in athletic programs;
- (3) the pupil fair dismissal act;
- (4) the public school fee law;
- (5) audit-related requirements and procedures;
- (6) data practices laws governing access to student;
- (7) the requirement to recite the pledge of allegiance;
- (8) state academic standards, assessments and accountability measures; and

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(9) the length of the school year.

(f) Declares that a participating school is a public school and part of the district in which it is located. Except as provided in this section, allows a participating school, after consulting with the district superintendent, to elect to be exempt from any statute or rule applicable to a school, a school board or a school district.

(g) Requires the plan of a participating school to allow the principal to determine who is hired into licensed and nonlicensed positions in the school.

(h) Requires a participating school to report at least annually to the school board of the district the information required by the district and requires the school board of the district to report at least annually to the commissioner the information required by the commissioner. Makes the reports public data, consistent with Minnesota Statutes, chapter 13.

(i) Requires the school district in which the participating school is located to provide transportation within the district to the students enrolled in a participating school.

(j) Declares that statutory provisions governing leave to teach in a charter elementary school apply to a participating school except the provision allowing a school board to extend a leave of absence does not apply.

(k) Requires the plan to be for a five-year term. Allows a school district to unilaterally terminate a school's participation during the project term for a specified ground. Declares that provisions governing the nonrenewal of a charter elementary school contract do not apply to a participating school. Causes the school to revert to the status it held immediately preceding its participation in this project if a district terminates the school's participation. Allows the commissioner to terminate a school's participation if the school or the school district in which the school is located has a history of financial mismanagement, repeated violations of law or for other good cause.

(l) Directs the school district in which the school is located, and not the school, to obtain the requisite insurance on the school's behalf.

Subd. 4. Additional participating schools. Allows the commissioner to seek and select another applicant to participate in this project if a participating school is terminated in the 2005-2006 or 2006-2007 school year.

Subd. 5. Reports. Requires the education commissioner by each March 1 during the pilot project to submit progress reports to the legislature and to prepare a final written report by January 1, 2011. Requires the reports, among other things, to use the data of a value-added assessment model to analyze teachers' critical role in improving student achievement and school performance and reliably estimate teacher and school effects on students' academic achievement over time.

Subd. 6. Commissioner's role. Directs the education commissioner, in consultation with a school district or charter school sponsor and the participating school, to provide technical support to the school upon request.

Subd. 7. Appropriations base. Makes the base appropriation for this program

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\$500,000 for fiscal year 2006 and \$500,000 for fiscal year 2007.

Makes this section effective immediately and applicable to the 2005-2006 through 2009-2010 school years.

- 58 Model policy.** Directs the education commissioner, in consultation with appropriate individuals and organizations, to develop and transmit to school boards a model bullying policy that encourages school boards to provide bullying-related information, training, programs and other initiatives.
- 59 Revisor's instructions.** (a) Directs the revisor to change terms and phrases related to limited English proficiency students, consistent with the provisions on English language learners in this article.
- (b) Directs the revisor to change a headnote related to reading teachers.
- 60 Appropriations.** See attached fiscal spreadsheet.
- 61 Sunset.** Repeals paragraphs (b), (c), and (d) in section 19, defining highly qualified teachers, on June 30, 2006.
- 62 Repealer.** (a) Repeals Minnesota Youth Works Act provisions in the 2002 statutes governing grant applications (Minn. Stat. § 124D.41), program provisions governing participant eligibility, terms of services, uses of post-service benefits, living allowances, and training and education requirements (Minn. Stat. § 124D.42, subdivisions 1, 2, 4, 5, and 7), and the priority given to eligible organizations meeting specific goals (Minn. Stat. § 124D.43).
- (b) Repeals Minnesota Youth Works Act provisions in the 2003 statutory supplement governing post-service benefits and program training (Minn. Stat. § 124D.42, subdivision 3).

Article 3: Special Programs

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- 1 1 Online learning parameters.** Strikes language making an individualized education plan team determine a condition for allowing a special education student to enroll in an online course or program. Requires the individualized education plan team to adapt the student's individualized education plan to reflect the online learning option.
- 2 Definitions.** Amends the definition of interagency intervention service system to indicate that disabled children birth to 21, instead of three to 21, are eligible to receive services and programs under state and federal special education law. Makes the Minnesota Children with Special Health Needs program part of the interagency intervention service system. Adds, amends and strikes references to various federal and state laws, programs, funds and entities that are part of the interagency intervention service system.
- 3 State interagency committee.** Changes the composition of the governor-convened state interagency committee and adds two parent representatives.
- 4 Special instruction for children with a disability.** Requires school districts to provide special instruction and services to disabled children who are suspended or expelled from school for more than 10 days, consistent with the state's Pupil Fair Dismissal Act.
- 5 Definitions; special education excess cost.** Removes an obsolete definition of general education revenue from the special education statutes.

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- 6 **Initial excess cost aid; fiscal years 2003 and 2004.** Limits the current calculation of excess cost aid to fiscal years 2003 and 2004.
- 7 **Initial excess cost aid; fiscal year 2005 and later.** Makes a school district's initial excess cost aid for fiscal year 2005 and later equal to the greater of zero, or 75 percent of the difference between the district's unreimbursed costs for the previous fiscal year and the sum of 4.36 percent of the district's general revenue and district's supplemental excess cost aid for the previous year.
- 8 **Supplemental excess cost aid.** Creates a supplemental excess cost aid equal to the greater of zero or 75 percent of the difference between the increase in the district's unreimbursed special education excess cost between the previous fiscal year and the current fiscal year and \$80 times the district's adjusted marginal cost pupil units for the current fiscal year.
- 9 **District special education excess cost aid.** Makes a district's special education excess cost aid for fiscal year 2005 and later equal to the sum of: (i) the product of the difference between the state total special education excess cost aid and the state total supplemental excess cost aid times the ratio of the district's initial excess cost aid; and (ii) the district's supplemental excess cost aid according to subdivision 5b.
- 10 **Department responsibility.** Directs the commissioner to adopt rules by June 1, 2004, instead of January 1, 2004, on requirements related to hearing officers and procedures.

Makes this section retroactively effective to July 1, 2003.

Article 4: Facilities

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- 1 1 **Chromated cooper arsenate treated lumber prohibited.** Prohibits school districts, including charter schools, from purchasing or using chromated copper arsenate treated lumber for use as playground equipment, benches, picnic tables, walkways or landscape timbers.
- 2 2 **Debt service equalization aid.** Clarifies that a district's debt service equalization aid is the sum of its first tier and second tier debt equalization aid.
- 3 **Debt service appropriation.** Adjusts the fixed-standing debt service equalization aid appropriation for forecast changes and to reflect the lower maximum effort tax rates for taxes payable in 2005 (FY 2006) and later.
- 4 **Information required; review and comment.** Requires a school district to include in its building project materials submitted to the commissioner of education as a part of the review and comment process, a description, if applicable, of how the facility will address classroom acoustics issues.
- 5 **Telecommunications/Internet access aid.** Requires school districts and charter schools to submit their actual telecommunications and Internet access costs to the commissioner of education. Defines eligible costs. Requires participating districts to file applications for federal Internet funds commonly referred to as e-rate funds. Sets the aid under this section for school districts and charter schools equal to 90% of the schools' unreimbursed costs exceeding \$15 per pupil unit. Requires a school district to provide telecommunications and Internet access to nonpublic schools (excluding a home school) located within the district's boundaries. Provides a reimbursement equal to 90% of the nonpublic school's unreimbursed costs exceeding \$10 per pupil unit. Makes the nonpublic school responsible for any costs in

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excess of the amount the district receives for this service. Provides a severability clause that that states if a court finds any portion of this statute unconstitutional, the court may sever that provision, and the remaining portions of the statute remain in effect.

6 **Lease levy.** Restores the lease levy authority to a maximum of \$100 per pupil unit or 100 percent of the actual costs of the lease (the 2003 Legislature lowered the levy amount to the lesser of 90 percent of the actual costs of the lease or \$90 per pupil unit). Restores the added lease levy amount for school districts that are members of intermediate school districts to \$25 per pupil unit. Makes this section effective for levies for taxes payable in 2005 and later.

7 **Maximum effort debt service levy.** Lowers the maximum effort debt service tax rate from 32 percent to 28 percent of adjusted net tax capacity beginning with taxes payable in 2005.

8 **Payment percentage for reimbursement aids.** Adds the new aid created in section 3 to the list of state aids that are 100% paid in the year in which the revenue is due (most school aid entitlements are paid 80% in the current year and 20% in the following year).

9 **Surplus funds.** Modifies the procedure for calculating the aid and levy reductions due to a debt excess in the final year of a school bonding project to first eliminate the amount of debt service equalization aid in the second tier of debt equalization revenue before applying the reduction proportionately among debt aid and levy.

10 **Garage lease levy; Sartell.** Authorizes independent school district No. 748, Sartell to extend its special lease levy of \$107,000 for a school bus storage facility for one more year.

11 **Lease levy; Mounds View School District.** Authorizes Independent School District No. 621, Mounds View, to levy up to \$200,000 per year for 10 years for the purpose of paying its share of the lease costs of a combined school district-county maintenance facility. Makes this levy effective for taxes payable in 2005.

12 **Levy authority; Glencoe-Silver Lake.** Authorizes Independent School District No. 2859, Glencoe-Silver Lake, to levy an additional \$64,000 in taxes payable in 2005 for reimbursement of costs incurred in repairing storm damage.

13 **Disabled access authority; East Grand Forks.** Authorizes Independent School District No. 595, East Grand Forks, to levy up to \$150,000 of its remaining disabled access levy over five or fewer years.

14 **Appropriations.** Appropriates \$4,500,000 of state aid in fiscal year 2005 from the general fund to the commissioner of education for payment of telecommunications/Internet access aid. Sets the budget base for this program at \$4,700,000 for fiscal years 2006 and later.

Article 5: Nutrition and Accounting; Other Programs

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1 1 **Additional revenues; priority.** Adds as a third priority to the list of uses for state general fund surpluses, the amounts needed to undo the property tax recognition shift. Adds a fourth priority to make aid payments to increase the school district aid payment schedule from 80 percent of the aid entitlement to 90 percent of the aid entitlement.

2 **Reserve revenue.** Clarifies that the minimum amount of revenue that a school district must reserve for students who attend an area learning center is the sum of 90 percent of the district average general education revenue less the transportation portions of general education revenue and the district average basic skills revenue plus the basic skills revenue (compensatory and LEP revenue) actually generated by those students.

3 **Taconite revenue.** Clarifies that a school district must recognize its February and August

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taconite payments in the fiscal year in which the February falls (these payments were formerly made to school districts in a single February payment).

- 4 **Department of Education.** Clarifies that fees received by the Department of Education as a part of the process of certifying on-line learning courses must be deposited in the state general fund.
- 5 **General education revenue; charter schools.** Clarifies that charter school general education revenue includes extended time revenue and the new transition revenue.
- 6 **Transportation revenue; charter schools.** Clarifies that charter school general education revenue for charter schools that provide their own transportation services includes that portion of the extended time revenue that is assigned to transportation services.
- 7 **Enrollment verification.** Clarifies that compensatory revenue is not prorated between sites when the general education revenue for a pupil attending an alternative program is prorated due to part-time attendance of the student (compensatory revenue is calculated based on an October 1 count, not on an average daily membership basis and stays at the site where the student is enrolled when the count is taken).
- 8 **Aid; alternative program operated by a private organization under contract.** Clarifies that compensatory revenue is not prorated between sites when the general education revenue for a pupil attending an alternative program operated by a private organization under contract to the school district is prorated due to part-time attendance of the student (compensatory revenue is calculated based on an October 1 count, not on an average daily membership basis and stays at the site where the student is enrolled when the count is taken).
- 9 **Taconite deductions.** Clarifies the general education aid reduction for school districts receiving taconite aid payments.
- 10 **Taconite payment and other reductions.** Clarifies a school district's levy reduction for taconite aid payments.
- 11 **Alternative attendance programs.** Clarifies that the amount of general education revenue that is provided to an area learning center is at least 90 percent of the district average general education revenue including all basic skill revenue (current statute just references compensatory revenue).
- 12 **Charter school aid payments.** Clarifies that the adjustment to general education revenue for charter schools that do not provide pupil transportation directly, but instead choose to have the school district in which they are located provide the transportation services, includes a portion of the extended time revenue for transportation services for extended time pupils.
- 13 **Fund transfers.**

Subd. 1. Foley. Authorizes Independent School District 51, Foley, to permanently transfer up to \$190,000 from its reserved operating capital account to its undesignated general fund.

Subd. 2. Chokio-Alberta. Authorizes Independent School District No. 771, Chokia-Alberta, to permanently transfer up to \$150,000 from its reserved operating capital account to its undesignated general fund.

Subd. 3. Kimball. Authorizes Independent School District No. 739, Kimball, to transfer up to \$150,000 from its bus purchase account or any successor account to its undesignated general fund balance.

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Subd. 4. McLeod West. Authorizes Independent School District No. 2887, McLeod West, to transfer up to \$200,000 from its reserved operating capital account to its undesignated general fund.

Subd. 5. Northeast Metro. Authorizes Intermediate School District No. 916, Northeast Metro, to permanently transfer up to \$240,000 from its debt redemption fund to its capital account in the general fund without making a levy reduction.

Subd. 6. Butterfield. Authorizes Independent School District No. 836, Butterfield, to permanently transfer up to \$50,000 from its reserved for operating capital account to the general fund.

- 14 Forecasting the education base budget.** Requires the Department of Finance to forecast the base budget for fiscal years 2006 and 2007 using pupil data and actual formula amounts.

Article 6: Libraries

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- 1 1 Internet access for students.** (a) Requires all computers at a school site with access to the Internet available for student use to be equipped with software filtering or blocking technology designed to restrict student access to obscene, pornographic, and material harmful to minors.
- (b) Strikes language excusing a school site from purchasing filtering technology if the purchase represents more than an incidental expense. At the request of an adult conducting research or pursuing another lawful purpose, requires school districts to unblock filtered sites without significant delay and without requiring the adult to explain the request.
- (c) Withholds all state funds available to a school site until all computers with Internet access available for student use at the school site are equipped with software filtering or blocking technology designed to restrict student access to obscene, pornographic, and material harmful to minors. Requires a school district to formally adopt an Internet safety policy consistent with this section and other applicable law.
- Makes this section effective for the 2004-2005 school year and later.
- 2 Advisory committee.** Directs the commissioner to appoint a five member advisory committee to advise the Minnesota Library for the Blind and Physically Handicapped staff on long-range planning and library services. Makes the committee members subject to the terms governing advisory councils and committees except that the committee expires on June 30, 2007.
- Makes this section effective June 30, 2004.
- 3 Internet access; libraries.** (a) Requires all public library computers with access to the Internet available for use by children under 18 to be equipped with software filtering or blocking technology designed to restrict student access to obscene, pornographic, and material harmful to minors.

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(b) Strikes language excusing a public library from purchasing filtering technology if the purchase represents more than an incidental expense. At the request of an adult conducting research or pursuing another lawful purpose, requires libraries to unblock filtered sites without significant delay and without requiring the adult to explain the request.

(d) Withholds all state funds available to a public library until all computers with Internet access available for student use at the school site are equipped with software filtering or blocking technology designed to restrict student access to obscene, pornographic, and material harmful to minors. Requires a public library to formally adopt an Internet safety policy consistent with this section and other applicable law.

Makes this section effective July 1, 2004.

- 4 Appropriations; libraries.** Amends the fiscal year 2004 appropriations for the basic support grants for regional libraries and the regional telecommunications aid to clarify that both appropriations are paid on an 80/20 schedule.

Makes this section effective immediately.

Article 7: Early Childhood Programs

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- 1 1 School readiness; establishment; purpose.** Simplifies the language that describes the purpose of the school readiness program. Limits participation in school readiness programs to children at least three and one-half years old (current law allows a program to serve children under the age of three and one-half under certain circumstances).
- 2 School readiness; program requirements.** Rearranges and simplifies the school readiness program requirements. Requires each child to be assessed upon entrance to and exit of the school readiness program.
- 3 School readiness; application and reporting requirements.** Requires each school readiness program to submit an annual plan to the commissioner of education for approval. Requires school readiness programs that receive funding to submit an annual report to the department before August 15 of the following fiscal year in form and manner specified by the department.
- 4 School readiness; services with new or existing providers.** Requires any school readiness program that contracts with a private provider to submit a copy of the contract to the commissioner along with the program's annual plan.
- 5 School readiness; supervision.** Eliminates language stating that a contract program must be supervised and staffed according to the terms of the contract.
- 6 School readiness; program fees.** Requires school readiness programs to adopt sliding fee schedules (current law authorizes a district to adopt a sliding fee schedule).
- 7 School readiness; amount of aid.** Adjusts a cross-reference to fit the new program language added in section 124D.15, subdivision 3a.
- 8 School readiness aid.** Increases the school readiness aid entitlement for fiscal year 2005 by \$1.3 million.
- 9 Repealers.** Repeals the following:

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- 124D.15, subd. 2-school readiness age limitations
- 124D.15, subd. 4-school readiness program goals
- 124D.15, subd. 6-school readiness program coordination
- 124D.15, subd 7-school readiness advisory council
- 124D.15, subd. 8-school readiness participation priorities
- 124D.15, subd. 9-school readiness program records
- 124D.15, subd. 11-school readiness program standards
- 124D.15, subd. 13-school readiness additional revenue
- 124D.16, subd. 1-school readiness aid program approval
- 124D.16, subd 4-school readiness revenue kept in a separate account

Article 8: Prevention

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- 1 1 **Community education levy.** Authorizes a school district to levy an additional amount for community education equal to 72 cents times the greater of 1,335 or the population of the district.
- 2 **Levy recognition.** Requires school districts to recognize 50 percent of the levy authorized for taxes payable in 2005 in fiscal year 2005 and 50 percent in fiscal year 2006.

Article 9: Self-sufficiency and Lifelong Learning

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- 1 1 **Definitions; lead abatement program.** Transfers the responsibility for lead abatement activities from the Department of Education to the Department of Health.
- 2 **Grants; administration.** Transfers the responsibility for lead abatement activities from the Department of Education to the Department of Health.
- 3 **Applicants.** Removes a redundant reference.
- 4 **Testing and evaluation.** Transfers the responsibility for lead abatement activities from the Department of Education to the Department of Health.
- 5 **State total adult basic education aid.** Includes in the amount of adult basic education aid that is distributed to adult basic education programs the amount of any aid that canceled back to the general fund in the previous year because of the adult basic education program aid limit on the contact hour rate (currently limited to not more \$21 per prior year contact hour).
- 6 **Adult basic education program aid limit.** Authorizes the amounts of adult basic education

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aid that are canceled back to the general fund because of the program aid contact hour aid limit to be added to the state total adult basic education aid for the next fiscal year. Requires any adult basic education aid that would otherwise cancel back to the general fund because of the limits on program growth to be reallocated in that year by adjusting the contact hour rate for that year.

7 **Adult basic education appropriation.** Amends the fiscal year 2005 appropriation for adult basic education to allow for the reallocation of aid that would otherwise cancel to the general fund.

8 **Lead abatement appropriation.** Eliminates the lead abatement appropriation to the commissioner of education as this program is transferred to the commissioner of health.

9 **Revisor instruction.** Directs the revisor of statutes to transfer the lead abatement program language from chapter 119A to chapter 144.

Article 10: State Agencies

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1 1 **School district efficiency reviews.** (a) Directs the management analysis division in the Minnesota department of administration, at the written request of a school superintendent or local school board and using state funds appropriated for this purpose, to review a school district's central operations in consultation with the education commissioner. Requires the review to at least: examine noninstructional expenditures; examine overhead costs, procurement practices, facilities use and management, financial management, transportation policies, technology planning and energy management; and identify ways to improve operational efficiencies and reduce costs. Allows the management analysis division to review additional areas. Precludes the review from examining educational services. Requires state and local entities to cooperate with and assist the management analysis division.

(b) Directs the management analysis division to conduct and determine the sequence, timing and duration of the review within two years of receiving a request. Encourages the management analysis division to conduct at least three reviews annually.

(c) Directs the management analysis division to provide a written report of the findings, including exemplary practices and recommendations for improved services and greater efficiencies. Declares that all recommendations are advisory only and that a school district may adopt or reject the recommendations in whole or in part.

(d) Directs the management analysis division, in cooperation with the education commissioner, to make public all final documents and prohibits the disclosure of identifiable information about individual school board members.

(e) Prohibits the state from seeking reimbursement from any local entity for any efficiency review-related costs.

Makes this section effective July 1, 2004.

2 **Department of Education budget.** Reduces the Department of Education's fiscal year 2005 appropriation by three percent. Adds money to the department budget for school readiness

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reviews and school district efficiency reviews.

3 Minnesota State Academies. Reduces the fiscal year 2005 appropriation for the Minnesota State Academies for the deaf and blind by three percent.

4 Perpich Center for Arts Education. Reduces the fiscal year 2005 appropriation for the Perpich Center for Arts Education by three percent.

Article 11: Deficiencies

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Overview

This article adjusts the formula-driven appropriations contained in the 2003 omnibus education finance bill to reflect the February 2004 forecast estimates for each program. The appropriations changes in this bill are already reflected in the forecast. Some appropriations are increased while others are decreased.

1 1 Referendum tax base replacement aid. Adjusts the appropriation for forecast changes.

2 2 Abatement revenue. Adjusts the appropriation for forecast changes.

3 3 Consolidation transition. Adjusts the appropriation for forecast changes.

4 4 Nonpublic pupil aid. Adjusts the appropriation for forecast changes.

5 5 Nonpublic pupil transportation. Adjusts the appropriation for forecast changes.

6 6 Charter school building lease aid. Adjusts the appropriation for forecast changes.

7 7 Charter school startup aid. Adjusts the appropriation for forecast changes.

8 8 Charter school integration grants. Adjusts the appropriation for forecast changes.

9 9 Magnet school startup aid. Adjusts the appropriation for forecast changes.

10 10 Success for the future. Adjusts the appropriation for forecast changes.

11 11 Tribal contract schools. Adjusts the appropriation for forecast changes.

12 12 Aid for children with disabilities. Adjusts the appropriation for forecast changes.

13 13 Travel for home-based services. Adjusts the appropriation for forecast changes.

14 14 Special education; excess costs. Adjusts the appropriation for forecast changes.

15 15 Litigation costs for special education. Adjusts the appropriation for forecast changes.

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- 16 16** **Transition for disabled students.** Adjusts the appropriation for forecast changes.
- 17 17** **Court-placed special education revenue.** Adjusts the appropriation for forecast changes.
- 18 18** **Health and safety revenue.** Adjusts the appropriation for forecast changes.
- 19 19** **Debt service equalization.** Adjusts the appropriation for forecast changes.
- 20** **School lunch.** Adjusts the appropriation for forecast changes.
- 21** **Traditional school breakfast; kindergarten milk.** Adjusts the appropriation for forecast changes.
- 22** **Early childhood family education aid.** Adjusts the appropriation for forecast changes.
- 23** **Community education aid.** Adjusts the appropriation for forecast changes.
- 24** **School-age care revenue.** Adjusts the appropriation for forecast changes.
- 25** **Appropriations in other bills.** Makes clear that the appropriations for forecast programs that appear in this bill prevail over any other appropriations for the same purposes enacted during the 2004 regular session.

Article 12: Technical and Conforming Amendments

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- 1 1** **Improving graduation rates for students with emotional or behavioral disorders.** Includes in statute a section inadvertently dropped from the 2003 omnibus education finance bill (6/03 memo signed by Representative Seagren and Senator Kelley promises that the section will appear in the 2004 technical article).
- 2** **Classes; number.** Makes a technical change affecting references to a school district number.
- 3** **School-age care programs.** Removes an obsolete reference to the repealed state board of education.
- 4** **Eligible programs.** Corrects an incorrect cross reference to a section repealed in 1998.
- 5** **Rules of commissioner.** Corrects the cross reference to a 2003 recoded section on alternative dispute resolution.
- 6** **Due process hearings.** Corrects the cross reference to a 2003 recoded section on alternative dispute resolution.
- 7** **Litigation and hearing costs.** Corrects the cross reference to a 2003 recoded section on alternative dispute resolution.
- 8** **Appropriation transfers for community education programs.** Strikes a repealed statutory section.
- 9** **Licensed teachers.** Removes an obsolete reference to the repealed state Board of Education.
- 10** **Revisor instruction.** Corrects an incorrect statutory reference.
- 11** **Revisor instruction.** Reflects an office name change within the Minnesota Department of Education.
- 12** **Repealer; revival of statute.** Repeals an expiration date to effect the 2003 amending and renumbering of a statutory section.

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Article 13: K-12 Science and Social Studies Standards

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Overview

The 2003 Legislature repealed the profile of learning and, among other standards and accountability changes, directed the education commissioner to adopt K-12 academic standards in language arts, math, and arts for the 2003-2004 school year that were identical to standards documents agreed to by the legislature. This bill proposes to use a very similar process to develop science and social studies standards and authorize the commissioner to adopt those standards in rule. The article directs the commissioner to implement the science standards for all students beginning in the 2004-2005 school year and to implement the social studies standards for all students beginning in the 2005-2006 school year.

- 1 1 Rulemaking.** Authorizes the education commissioner to use an expedited process to adopt rules for implementing core K-12 academic standards in science and social studies. Requires language arts, math, and arts academic standards to be implemented for all students beginning in the 2003-2004 school year, science academic standards to be implemented for all students beginning in the 2004-2005 school year, and social studies academic standards to be implemented for all students beginning in the 2005-2006 school year.
- 2 State must affirm No Child Left Behind Act.** Requires the education commissioner by February 15, 2005, to revoke the state plan for implementing NCLB unless the state enacts legislation affirming Minnesota's intent to implement NCLB and the federal government abolishes the federal department of education by that date.
- 3 Minnesota's high academic standards.** (a) Requires the commissioner to adopt in rule the K-12 science and social studies standards that are identical to the December 19, 2003, science standards document and the February 17, 2004, social studies standards document prepared by the Minnesota Academic Standards Committee under the auspices of the education department and specifically named in this bill.

(b) Requires the K-12 science and social studies standards documents to be deposited with the revisor of statutes, the legislative reference library, and the state law library until the commissioner adopts the rules for implementing core K-12 academic standards in science and social studies. Directs the revisor to determine that the rules are identical to the documents deposited with it and allows the revisor to make any needed grammatical and form changes.

Makes this section effective immediately.
- 4 K-12 social studies standards rules.** Directs the education commissioner to use the expedited rulemaking process to insert instructions about banding and make specific amendments to the substance of the social studies standards document incorporated by reference into this act.
- 5 K-12 science standards rules.** Directs the education commissioner to use the expedited rulemaking process to insert instructions about grade level designations in and make specific amendments to the substance of the science standards document incorporated by reference

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into this act.