

# HOUSE RESEARCH

## Bill Summary

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## Article 1: General Education Revenue

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### Overview

This article makes changes to the general education revenue program, including increasing the basic formula allowance, raising the referendum revenue cap, and modifying components of general education revenue.

- 1 Kindergarten. Defines "kindergarten" as a program that serves pupils who start the school year at an age of five years and that prepares the pupils for first grade. Defines a program that prepares pupils for kindergarten as a pre-kindergarten program.
- 2 Reserve revenue. Clarifies the amount of money that must be reserved by resident school districts for students who are attending area learning center programs.
- 3 Cost; limitation; nonpublic pupil aid. Delinks nonpublic pupil aid from the basic formula allowance. Increases nonpublic pupil aid by 3 percent for fiscal year 2006, 6.19 percent for fiscal year 2007, 3.1 percent for fiscal year 2008, and provides no increase for fiscal year 2009 and later.
- 4 Taconite revenue. Recognizes the full annual amount of taconite revenue that a school district receives in the fiscal year in which the February payment falls.
- 5 Expenditures by building. Clarifies the accounts necessary to identify revenue at each school site.
- 6 Account transfer for statutory operating debt. Updates terminology to reflect the current accounting terms used for unreserved general fund money.
- 7 Operating Debt. Updates terminology to reflect the current accounting terms used for unreserved general fund money.
- 8 Reorganization operating debt. Updates terminology to reflect the current accounting terms used for unreserved general fund money.
- 9 Unreserved fund balances. Updates terminology to reflect the current accounting terms used for unreserved general fund money.
- 10 Transportation definitions. Includes in the definition of shared time transportation expenses the necessary costs of travel for staff between public and private schools or neutral sites in those circumstances where the shared time students are not transported. Includes in the definition of qualifying special education expenditures used to calculate regular special education aid the costs of transporting a homeless student from a temporary non-shelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin for the rest of that school year and the costs of depreciation on district-owned buses purchased after July 1, 2005 used primarily for the transportation of pupils with disabilities.
- 11 Transportation district reports. Requires school district to report to the commissioner of education data necessary to calculate transportation expenditures. Prohibits a district from including in the eligible amounts, the salaries and fringe benefits of employees whose duties are other than transportation, except that the district may include salaries and benefits for an employee designated as the transportation director, an employee providing support to the

transportation director, and employee providing direct transportation services such as a bus driver or bus aide. Requires part-time employee costs to be properly documented. Requires pupil transportation expenditures to be allocated among transportation categories on a cost per mile, cost per pupil, cost per hour or cost per route basis.

12 Nonpublic pupil transportation aid. Delinks the nonpublic pupil transportation inflation amount from the basic formula allowance. Increases nonpublic pupil transportation aid by 3.0 percent for fiscal year 2006, 6.19 percent for fiscal year 2007, 3.1 percent for fiscal year 2008, and provides no increase for fiscal year 2009 and later.

13 Enrollment verification. Clarifies the general education payment for students attending an eligible program part-time under the graduation incentives program.

14 Aid. Clarifies the general education payment for students participating in certain contract alternative programs.

15 Placement of children without disabilities. Creates an alternative to current law that requires a district that enrolls a homeless pupil to provide the transportation for that pupil, unless the enrolling district and the district where the homeless pupil is temporarily placed agree that the district in which the pupil is placed shall provide the transportation. Under current law, when a pupil without a disability is temporarily placed in a residential program for care and treatment, the district where the pupil is placed is responsible for that pupil's instruction and necessary transportation. The serving district is then required to bill the pupil's resident district for the actual cost of providing instruction, but not for the transportation costs.

16 Net unreserved general fund balance. Updates terminology to reflect the current accounting terms used for unreserved general fund money.

17 Project-based average daily membership. Creates a new category of pupil units to count students who are enrolled in project-based programs. Requires schools offering project-based programs to register with the commissioner of education, provide a minimum of one hour of teacher contact per week per project-based credit, maintain a record system that shows when each credit has been reported, and report pupil membership to the commissioner.

18 General education revenue; definitions. Adds alternative compensation revenue and gifted and talented revenue as components of general education revenue beginning in FY 06.

19 Basic revenue. Increases the basic formula allowance by \$139 per pupil unit for FY 06 (the formula allowance goes from \$4,601 to \$4,740). Sets the formula allowance at \$4,885 per pupil for FY 07 and later (this allowance reflects an increase of \$284 over base).

20 Gifted and talented revenue. Creates a new component of general education revenue called gifted and talented revenue. Sets the ongoing revenue amount equal to \$15 per pupil unit for fiscal year 2006 and later. Add an additional \$3 per pupil unit for start-up costs in fiscal year 2006.

21 Compensatory education revenue. Delinks compensatory revenue from the formula allowance. Keeps compensatory revenue at its current formula amount (\$4,186) for future years.

22 Sparsity definitions. Delinks operating sparsity revenue from basic formula allowance. Sets a sparsity allowance equal to \$4,740 for FY 06 and \$4,885 for FY 07 and later.

23 Secondary sparsity revenue. Delinks secondary sparsity revenue from the formula allowance.

24 Elementary sparsity revenue. Delinks secondary sparsity revenue from the formula allowance.

25 Total operating capital. Increases total operating capital by \$20 per pupil unit beginning in fiscal year 2006.

26 Operating capital levy. Changes the equalizing factor for operating capital from \$22,222 to \$24,300 for taxes payable in 2006 and 2007, and \$15,400 for taxes payable in 2008 and

later.

- 27 Transportation sparsity definitions. Delinks transportation sparsity revenue from the basic formula allowance.
- 28 Transportation sparsity revenue allowance. Delinks transportation sparsity revenue from the basic formula allowance. Increases the amount of transportation sparsity revenue by 8 percent for fiscal year 2006 and keeps it at this level for subsequent years.
- 29 Equity revenue. Adds two new components to equity revenue. Provides that a district that has referendum revenue of less than 10 percent of the state average referendum revenue per pupil receives additional revenue to bring the district up to the 10 percent level. Caps the maximum revenue a district can receive under this provision at \$100,000. Increases the equity amounts for metro districts by 25 percent for fiscal year 2006 and later.
- 30 Transition revenue. Makes transition revenue permanent. Adds to the district's FY 06 transition revenue the amounts for certain pre-kindergarten programs that were in existence prior to July 1, 2003.
- 31 Basic alternative compensation aid. Creates a new component of general education revenue called "basic alternative compensation aid". Sets the aid amount for FY 06 equal to the amount the district would receive under the alternative compensation program (this amount is set at \$260 times the pupils served at the qualifying school site or district). For FY 07 and later, sets the basic alternative compensation aid amount at 73.1 percent of the amount set under the alternative compensation program. Sets a maximum state total basic alternative compensation aid equal to \$19.329 million for FY 06 and \$75,636,000 for FY 07 and later.
- 32 Alternative compensation levy. Beginning in FY 07, sets the alternative compensation levy for each district equal to the product of: (1) the difference between the district's alternative compensation revenue and the district's alternative compensation aid; times (2) the lesser or one or the district's adjusted net tax capacity per pupil unit to \$5,913.
- 33 Alternative compensation aid. Beginning in FY 07, sets a school district's alternative compensation equalization aid equal to the difference between the district's alternative compensation revenue and the sum of its basic alternative compensation aid and its alternative compensation levy.
- 34 General education aid. Updates the definition of general education aid to reflect the new components of general education revenue.
- 35 Use of the revenue. Allows a school district to use up to 10 percent of its compensatory revenue for prekindergarten programs.
- 36 Building allocation. Allows school districts participating in the pilot project created in section 63 to allocate compensatory revenue on the basis of test scores. Allows school districts to allocate up to ten percent of their compensatory revenue to support prekindergarten programs.
- 37 Recommendation. Requires a school district that is allocating compensatory revenue according to section 63 to share its compensatory revenue distribution plan with its school site decision teams.
- 38 Referendum allowance limit. Increases the general referendum allowance limit from 18.6 percent of the basic formula allowance to 28 percent of the basic formula allowance (\$1,368). Adjusts the alternative maximum allowance for districts that were capped in 1994 upwards by \$300 per pupil unit.
- 39 Referendum equalization revenue. Increases the dollar amount of the first tier of referendum revenue from \$500 to \$600 per pupil unit for fiscal year 2007, to \$700 per pupil unit for fiscal year 2008 and \$800 per pupil unit for fiscal years 2009 and later.
- 40 Referendum equalization aid. Increases the limit on the maximum amount of referendum aid that a district may receive from 18.6 percent to 28 percent of the formula allowance.
- 41 Referendum revenue. Clarifies the referendum revenue ballot language. Eliminates the

requirement for the referendum ballot to show a referendum market value tax rate.  
Simplifies the terms used on the ballot.

42 Referendum conversion allowance. Modifies the referendum conversion process to match  
the extension of transition revenue.

43 Taconite deductions. Clarifies the language regarding the receipt of taconite revenue.  
Modifies the language to reflect that the full amount of taconite revenue is recognized in the  
fiscal year in which the February payment falls.

44 **Building lease levy.** Increases the building lease levy from the lesser of \$90 per pupil or 90  
percent of a district's lease costs to the lesser of \$100 per pupil or the district's actual lease  
costs. Increases the added lease levy available to school districts that are members of an  
intermediate school district from \$22.50 per pupil unit to \$25 per pupil unit.

45 **Unemployment insurance levy.** Authorizes a school district to levy for the full amount of  
its unemployment insurance costs.

46 **Tax levy for judgment.** Authorizes a school district to levy for the amount of its  
judgments.

47 **Safe schools levy.** Increases the safe schools levy from \$27 per pupil unit to \$30 per pupil  
unit. Includes salaries and benefit costs of school counselors as eligible expenses under the  
safe schools levy.

48 Reverse referendum. Subjects each district's deferred maintenance revenue to a reverse  
referendum. Makes the amount of the levy in pay 2006 subject to the reverse referendum.  
Requires the district to publish notice of its intended levy increase. Makes the levy increase  
effective unless within 30 days of the notice being published, the board is presented with a  
petition signed by at least 15 percent of the registered voters of the district requesting an  
election. Requires the referendum to be held on the last Tuesday in January.

49 Notice to commissioner; forms. Moves forward by one week, from January 15 to January 7,  
the day that each school district must notify the commissioner of education of the final  
certified school levies.

50 Taconite payment and other reductions. Clarifies and modifies the language to reflect that  
the full amount of taconite revenue is recognized in the fiscal year in which the February  
payment falls.

51 Payment percentage for reimbursement aids. Includes telecommunications/Internet access  
aid in the list of school aids that are paid 100 percent in the current fiscal year.

52 Abatements. Makes the abatement adjustment key off the district's certified levy in the third  
preceding year (current law keys off the preceding year).

53 Excess tax increment. Adds a cross reference.

54 TRA adjustment; phase-out. Eliminates 25 percent of the subtraction to school district aid  
due to the TRA reduction beginning in fiscal year 2007.

55 Census. Clarifies a cross reference. Removes language regarding the determination of the  
population of a city.

56 County auditor to fix amount of levy. Corrects an obsolete cross reference.

57 Distribution of excess taxes on captured net tax capacity. Clarifies language regarding the  
determination of the local shares of excess taxes.

58 Staff development revenue. Continues the suspension of the requirement that a school  
district reserve 2 percent of its general education basic revenue for staff development for  
two more years.

59 Kindergarten reporting. Allows school districts to retroactively count certain pre-  
kindergarten pupils participating in qualifying programs as kindergarten pupils for fiscal  
years 2004 and earlier.

60 Transition revenue adjustments. Authorizes an additional levy amount for taxes payable in  
2006 to accommodate the addition of certain pre-kindergarten program costs to school

districts' fiscal year 2006 transition revenue. Makes the 2006 adjustment entirely through the local levy.

- 61 Alternative compensation revenue guarantee. Ensures that any school district or site participating in the alternative compensation program during fiscal year 2005 but that does not qualify for alternative compensation aid under the new program is eligible for the aid amounts it would have received under the old law for fiscal years 2006 and 2007 only.
- 62 School bus levy; Carpenter school buses. Allows a school district to levy up to \$30,000 times the number of Carpenter school buses in its fleet as of January 1, 2004 that have been determined to have potentially defective welds and are subject to limitations imposed by the department of public safety.
- 63 Compensatory revenue allocation; test scores. Creates a three-year pilot program to allow districts to allocate compensatory revenue on the basis of student performance measures. Requires an interested school district to submit its application to the commissioner of education by June 1, 2005. Specifies that the application must: (1) identify the test results 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. Requires the commissioner to select up to five school districts for the pilot program. Requires the commissioner to report to the legislature by February 15, 2008 about the effectiveness of the pilot program.
- 64 Operating capital and equity adjustment. Makes the fiscal year 2006 adjustment for increases in operating capital and equity revenue payable entirely in state aid.
- 65 Fiscal year 2006 compensatory revenue for refugees. Qualifies for compensatory revenue for fiscal year 2006 (the 2005-2006 school year) any pupils who are from the Wat Krabok Refugee Camp in Thailand who enroll in a Minnesota public school by June 1, 2005.
- 66 Appropriations. Appropriates money for:

- general education aid;
- tax base replacement aid;
- enrollment options transportation;
- abatement revenue;
- consolidation transition;
- nonpublic pupil aid;
- nonpublic pupil transportation;
- one room schoolhouse;
- declining pupil aid; Albert Lea;
- declining pupil aid; Mesabi East; and
- declining pupil aid; Roseau.

See the attached fiscal worksheet for details. Online at  
<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>  
<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

- 67 Repealer. Repeals the following July 1, 2005:

- 122A.415, subd. 2 -the minimum number of teachers that must agree for a district or site to participate in the alternative teacher compensation program;

- 123B.83, subd. 1 -obsolete statutory operating debt procedure
- 126C.42, subd. 1 - obsolete 1977 statutory operating debt levy authority
- 126C.42, subd. 4 - obsolete 1992 statutory operating debt levy authority

Repeals the following for fiscal year 2007:

- 126C.12 -revenue reserved for class size reduction

## **Article 2: Excellence in Education**

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### **Overview**

Proposes to improve student and teacher performance, student attendance and students' educational choices, among other measures.

- 1 Definitions. (a) Defines "continuing truant" to mean a student who is absent without valid excuse for three or more class periods or three days.  
  
(c) Defines "habitual truant" to mean a student who is absent one or more class periods on seven school days without a lawful excuse and, if the student is 16 or 17, has not formally withdrawn from school.
- 2 Access by juvenile justice system. (a) Directs school officials to disclose daily attendance record data to the juvenile justice system upon request.  
  
(e) Allows school officials to disclose only the student's continuing or habitual truancy status.
- 3 Legitimate exemptions. Allows a school district to include in its school attendance policy a notice to parents that it may ask parents to provide a written explanation for their child's absence. Provides examples of circumstances when children might reasonably be absent from school.  
  
Makes this section effective July 1, 2005.
- 4 School attendance requirement; driving privileges. Allows public school boards to vote by September 30 to waive (or rescind waiving) the school attendance requirement for driving privileges for the present and future school years.  
  
Makes this section effective July 1, 2005.
- 5 Educational expectations for Minnesota's students. (c) Requires students enrolled in grade 8 before the 2005-2006 school year to pass the state's basic skills tests and requires students enrolled in grade 8 in the 2005-2006 school year and later to pass the MCA-II's.  
  
(e) Strikes a reference to the federal Goals 2000.
- 6 Required academic standards. Requires school districts to at least maintain through the 2004-2008 school year the same physical and health education student instruction time for K-8 students adopted in the 2004-2005 school year.
- 7 Rigorous course of study; waiver. (a) Directs school districts, area learning centers and

charter schools, at parents' request, to declare that a student who meets certain specified criteria related to a rigorous course of study will satisfy a particular academic standard required for graduation.

(b) Exempts a student who satisfactorily completes a PSEO course or program from the academic standard that corresponds to the course or program.

8 Graduation requirements; course credits. Includes 1/2 credit in physical education and 1/2 credit in health education as requirements for high school graduation.

9 Definitions. Amends the definitions of "instruction" and "curriculum" to encompass state and district academic standards and programs.

10 Adopting policies. Requires school districts to have an adopted written policy that includes instructional goals encompassing: best practices, district and school curriculum and educational achievement for all student subgroups; a process for evaluating students' progress toward meeting academic standards; a system for periodically evaluating instruction and curriculum; a plan for improving student achievement; and an education effectiveness plan that integrates instruction, curriculum and technology.

11 District advisory committee. Requires school boards to establish a district advisory committee to ensure community participation in planning and improving district academic standards. Requires the advisory committee to recommend to the school board rigorous academic standards and student achievement goals and measures.

12 Building team. Allows a school to establish a building team to develop and implement an effectiveness plan to improve student achievement. Directs the team to advise the school board and the district advisory committee about developing an instruction and curriculum improvement plan that aligns assessment of student progress in meeting district academic standards, among other things.

13 Report. (a) Requires school boards to annually report to the education commissioner on student achievement goals for meeting state academic standards and school district improvement plans that include staff development goals, among other items.

(b) Allows school districts to publish the report by electronic means if notice of the report is published and copies of the report are available upon request.

(c) Changes the title of the report to refer to student achievement instead of student performance.

14 Biennial evaluation; assessment program. Requires school districts to report on a biennial basis to the education commissioner on student achievement results compared to previous years.

15 Educational planning and assessment system (EPAS) program. (a) Allows school districts and charter schools to participate in the ACT-sponsored educational planning and assessment system program that includes educational and career planning, assessments, instructional support and evaluation. Offers achievement tests in various subject areas, planning for high school and postsecondary education, an interest inventory, needs assessments, and student education plans. Indicates that the achievement tests are linked to the ACT assessment for college admission and allow a student's college readiness to be assessed before grades 11 and 12.

(b) Directs the education commissioner to provide ACT Explore tests to eighth graders and ACT Plan tests to tenth graders to assess their strengths, weaknesses, achievements, progress, skills, and college readiness. Requires the state to pay test costs. Directs the commissioner to establish application and payment processes.



- 16 Program structure; training programs for teachers. (b) Allows the state to pay a portion of out-of-state travel costs, among other costs, for teachers participating in an advanced placement or international baccalaureate training program. Directs the education commissioner to determine the payment process and subsidy amount.
- 17 Subsidy for examination fees. Directs the education commissioner to pay advanced placement and international baccalaureate exam fees for all low income public and nonpublic school students, and to the extent funds are available, also to pay the exam fees of other students.
- 18 College credit. Directs MNSCU and encourages the University of Minnesota and private postsecondary institutions to award college credit to high school students who receive 3 or higher on an AP exam or 4 or higher on an IB exam.
- 19 College-level examination program (CLEP).

Subd. 1. Program structure. Requires schools to provide information on the college-level examination program (CLEP) and students' opportunity to receive college credit for successfully completing college-level courses.

Subd. 2. Reimbursement for examination fees. Allows the state to reimburse public school students who successfully complete college-level courses and earn a satisfactory score in one or more specified subjects. Permits students to be reimbursed for up to six exam fees. Directs the education commissioner to establish application and reimbursement processes, giving priority to reimbursing low-income students.

Subd. 3. College credit. Requires MNSCU and encourages the University of Minnesota and private postsecondary institutions to award college credit to high school students who receive a satisfactory score on a CLEP exam. Directs the commissioner, in consultation with MNSCU, to set a passing score for college credits.

- 20 Gifted and talented students program. Allows school districts to identify gifted and talented students, develop programs, provide staff development and evaluate programs.
- 21 Character development education.

Subd. 1. Character development education. Encourages school districts to offer character education instruction using such programs as Character First and Character Counts. Encourages integrating instruction into existing programs, curriculum and the school environment. Directs the education commissioner to assist districts upon request to develop character education instruction and programs.

Subd. 2. Funding sources. Directs the commissioner to first use federal funds available for character development education programs. Allows school districts to accept funds from other sources for purposes of this section.

- 22 Violence prevention and character development education grants. Adds character development education to the purposes for which violence prevention grants are available.

Makes this section effective immediately.

- 23 American heritage education. (a) Directs school districts to permit students to learn about historical documents important to the country's development. Ensures that educators have access to historical documents with religious content. Lists examples of those documents.

(b) Precludes school districts from censoring or restraining instruction in national or state history that includes historical documents with religious content. Prohibits using

instructional materials with religious content to establish religion.

(c) Allows students to voluntarily study a topic with religious content if other students are able to freely choose a study topic.

Makes this section immediately effective.

24 Statewide testing. Makes the state's basic skills testing requirements applicable to students enrolled in grade 8 before the 2005-2006 school year and requires students enrolled in grade 8 in the 2005-2006 school year and later to pass the MCA-II's in reading, math and writing to fulfill state academic standards requirements.

25 Statewide and local assessments; results. Makes technical changes to conform with No Child Left Behind assessment requirements.

26 Value-added assessment program. (a) Directs the education commissioner to implement 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 make longitudinal comparisons in individual students' academic growth over time. Allows school districts, public schools and charter schools to apply to the commissioner to participate in the program. Requires participants to represent urban, suburban and rural geographical areas throughout the state.

(b) Allows the commissioner to contract with a private organization that uses a value-added assessment model to reliably estimate school and school district effects on students' academic achievement over time. Requires the model to accommodate diverse test data and individual students' test data across grades. States that model-generated teacher data are personnel data under chapter 13.

Makes this section effective immediately.

27 Model policy. Allows the commissioner's model sexual, religious, and racial harassment and violence policy to encourage character development education programs in school districts.

Makes this section effective immediately.

28 Reports; content. Requires school districts to transmit electronic reports to the education commissioner on incidents involving the use or possession of dangerous weapons in school zones. Requires the commissioner to provide an electronic reporting format.

29 Reports; filing requirements. Requires public schools annually by July 31, but no longer also by February 1, to submit electronic reports to the education commissioner on incidents involving the use or possession of dangerous weapons in school zones. Strikes the requirement that the commissioner annually report information to the criminal and juvenile information policy group.

30 Notice requirements for student surveys and similar instruments. (a) Requires school districts to obtain prior written informed consent from a student's parent or guardian at least 14 days before administering a student survey, assessment, analysis, evaluation or similar instrument that solicits any of the following information about the student or the student's family: political affiliations or beliefs; mental or psychological problems; critical appraisals of another individual with whom a student has a close family relationship; legally recognized privileged or analogous relationships; religious practices, affiliations or beliefs; or income-related information.

(b) Requires a school district, when seeking a parent's consent, to make a copy of the

instrument readily available to the parent, to identify the information listed in paragraph (a) that the instrument solicits, and to request the consent at least 14 days before administering the instrument.

(c) Makes civil remedies available to a parent seeking to compel a school district to comply with this section.

(d) Allows school districts to administer surveys and similar instruments that solicit information about the student or the student's family concerning sexual behavior or attitudes or illegal, antisocial, self-incriminating or demeaning behavior without obtaining prior consent from the student's parent or guardian. States that the survey must not identify students in any way and directs districts to give parents the option to refuse to have the survey administered to their students.

Makes this section effective immediately.

31 Admission or readmission plan. (a) Allows school administrators to include a character education program as part of a dismissed student's readmission plan.

(b) Allows school officials to use readmission plans when suspending students. Requires plans to include alternative education services where appropriate. Prohibits school officials from obligating parents to consent to administering psychotropic drugs to their students as a condition of readmitting the students.

Makes this section effective immediately.

32 Report to the commissioner of education. Requires school boards to report student exclusions and expulsions through the education department's electronic reporting system. Requires the reports to include students' age, grade, gender, race and special education status.

33 Policies to be established. Requires school districts' student discipline policies to use character development or other programs to emphasize preventing student dismissals.

Makes this section effective immediately.

34 Alternatives to pupil suspension. Grants school administrators the authority to provide alternatives to out-of-school suspensions. Allows a school administrator to impose the following in place of the out-of school suspension: (1) attendance at the school by the student's parent or guardian with the student for a school day; (2) assignment of the student to attend school on Saturday in a program supervised by the principal; or (3) petition the juvenile court that the student is in need of services under chapter 260C (the child protection statutes). Provides a funding source equal to \$54 per hour (not per pupil) for each hour of alternative programming that is provided by the school district.

35 School attendance requirement; driving privileges. Indicates that students may need to satisfy the school attendance requirement in Chapter 171 in order to get a license or permit.

36 Effective reading instruction. Defines effective reading instruction to include a program or collection of instructional practices based on reliable evidence showing that when the programs or practices are used, students achieve satisfactory reading progress.

37 License and rules. (o) Requires the board of teaching to adopt licensure rules for qualified candidates to teach chemistry, physics, biology and earth and space science and for a licensed 7-12 science teacher to teach in a new science content area or level in grades 7 through 12 if the teacher is a licensed science teacher and receives a qualifying score on a test on a science subject other than the teacher's current science field or level. Makes the

38 teacher seeking added licensure fields responsible for the actual test costs. Causes the  
board's authority to license science teachers under this paragraph to expire August 1, 2009.  
Terms; compensation; removal; administration; reimbursement. (b) Allows the board of  
39 school administrators to reimburse local school districts for the costs of hiring a substitute  
teacher when a regular teacher who is a board member is providing board-related services.  
Reading strategies. (a) Requires teacher preparation programs to include research-based best  
practices in reading that enable a licensure candidate to teach reading in the candidates  
content fields.

(b) Requires elementary teacher preparation programs to require instruction in reading  
programs that teach students to read using foundational knowledge, practices, strategies,  
interventions and remediations that enable all students to make continuous progress toward  
40 becoming proficient readers.  
Services terminated by discontinuance or lack of pupils; preference given. Directs the  
school board of a first class city school district, when discontinuing teaching positions, to  
discontinue teachers in any department in the inverse order in which they were hired unless  
the board and the exclusive representative of the teachers negotiate a plan that contains  
different discontinuance terms.

Makes this section effective August 1, 2005.  
41 Alternative teacher pay.

Subd. 1. Restructured pay system. Explicitly allows charter schools to participate in a  
teacher professional pay program.

Subd. 2. Alternative teacher professional pay system. (a) Requires a participating  
school district, school site and charter school to have an educational improvement  
plan and an alternative pay system.

(b) Requires the alternative pay system to: (1) describe how teachers can achieve  
career advancement and additional compensation; (2) describe how a district, site or  
charter school will provide teachers with career options that include master or mentor  
teacher positions; (3) eliminate "steps and lanes" and compensate teachers for  
satisfactory service, professional goals, and evaluations; (4) compensate teachers for  
their performance; (5) provide professional development activities aligned with  
student needs; and (6) provide an objective and comprehensive teacher evaluation  
system.

Subd. 3. Report. Requires participating districts, sites and charter schools to transmit a  
summary of findings and report on the implementing and efficacy of the alternative  
42 pay plan.  
Alternative compensation revenue amount. (b) Requires applications submitted by districts  
seeking alternative compensation revenue to contain a collective bargaining agreement or  
memorandum of understanding that complies with the public employee labor relations act  
(PELRA). Increases the maximum revenue amount from \$150 per pupil to \$260 per pupil.

(c) Requires that applications from charter schools be submitted by the chair of the charter  
school board and include an agreement with the teachers, a resolution from the board  
adopting the system, and documentation that at least 70 percent of the charter school

teachers have voted to support the agreement.

(d) Makes revenue available to districts, sites and charter schools that implement an alternative pay system before the school year begins.

43 Alternative compensation; revenue timing. Modifies the timelines for the alternative compensation program to reflect that the program is now an ongoing program.

44 Program focus. Allows area learning center programs to focus on character development.

Makes this section effective immediately.

45 Education administrative districts.

Subd. 1. Purpose. Establishes education administrative districts to increase administrative efficiency by combining administrative functions for multiple school districts and maintaining school districts' control of school sites.

Subd. 2. Agreement to establish an education administrative district. Allows eligible school districts to agree in writing to establish education administrative districts. Requires the agreement to incorporate how to improve efficient delivery of administrative services. Requires a majority of each member board to approve the agreement and subsequent modifications.

Subd. 3. Commissioner review and comment. Requires interested eligible school districts first to jointly submit a proposed agreement to the commissioner for review and comment within 60 days. Denies levy authority to those school districts that receive a negative review and comment.

Subd. 4. Notice and public hearing on proposed agreement. Requires the school boards of interested school districts to publish the commissioner's review and comment and a summary of the proposed agreement and its effect at least once in a local newspaper of general circulation. Requires a school board to hold a timely public hearing on the proposed agreement.

46 Education administrative district board.

Subd. 1. School district representation. Requires an education administrative district board to include at least one representative school board member appointed by the school board of each member school district. Declares that representatives serve at the pleasure of the appointing board, may be recalled at the pleasure of the appointing board and serve for the term specified in the agreement. Directs the education administrative district board to select officers and adopt bylaws. Allows the board to conduct public meetings via television if the meetings comply with chapter 13D.

Subd. 2. Provision of administrative services. Directs education administrative boards to implement agreements for delivering services.

Subd. 3. Personnel. Allows the board to employ needed personnel. Allows education administrative district staff to participate in retirement programs. Requires a member school district of an education administrative district to contract with the education administrative district for superintendent services. Does not require the person providing superintendent services to be employed by the education administrative

district or a member school district at the time of contracting.

Subd. 4. Contracts. Allows the board to contract with school districts and other public and private entities for needed administrative services.

Subd. 5. General law. Causes the board to be governed by the statutory section governing joint powers agreements unless otherwise provided.

Subd. 6. Annual report. Requires the board annually during its first five years of operating to report to the commissioner and member school districts on education administrative district activities, including an analysis of administrative costs and efficiencies.

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#### Education administrative district agreement.

Subd. 1. Implementation; review. Directs the education administrative district board within 24 months of implementing the agreement to provide administrative services to member school districts. Directs the board annually to review the agreement and propose needed changes.

Subd. 2. Administrative services. (a) Requires the board to select a single superintendent within 24 months for the education administrative district.

(b) Requires the agreement to specify other administrative efficiencies the education administrative district intends to provide member districts, including among other efficiencies, business management, human resources, payroll, food service, buildings and grounds, pupil transportation, technology and curriculum coordination, community education, nursing services, student records, and student and school building administration. Requires all administrative efficiencies to comply with collective bargaining agreements in effect in each member school district.

Subd. 3. Timing and duration. (a) Requires the initial agreement to include an implementation time line over the term of the agreement.

(b) Requires the initial agreement to be for a term of at least three years and allows member school district boards to extend the agreement by a majority vote of each board.

Subd. 4. Finances. Requires the initial agreement to: (1) include a three-year budget projection comparing existing and proposed administrative costs; (2) specify the retirement and severance incentives offered to licensed and nonlicensed staff and how such costs are apportioned; (3) specify additional start-up costs and how they will be apportioned; (4) specify the amounts each member school district must levy for retirement and severance incentives and additional start-up costs; and (5) specify an equitable formula for apportioning costs among member school districts, which member school districts must remit within 30 days.

Subd. 5. Levy. Allows member school districts to levy their district's proportionate share of costs for retirement and severance incentives and additional start-up costs over a maximum three-year period.

Subd. 6. Reports to education department. Allows member school districts to jointly report and provide required information to the department, including information about education administrative district expenditures that are attributable to each member school district.

Subd. 7. Additional and withdrawal of districts. (a) Allows a school district to become a member of an education administrative district, and subject to this law and the agreement in effect upon approval of the school district board, the education administrative district board, and the commissioner. Allows a new member of an education administrative district to levy for approved retirement and severance initiatives.

(b) Allows a member school district after three years to withdraw from an education administrative district and the agreement in effect by a majority vote of the affected school district board and complying with applicable provisions in the education administrative district agreement. Makes the withdrawal effective at the end of the next fiscal year.

Subd. 8. Dissolution. Allows the member school boards of an education administrative district after three years to agree to dissolve the education administrative district according to the applicable provisions in the education administrative district agreement. Declares that the dissolution does not affect member school districts' liability for continuing obligations, including unemployment benefits.

48 Cooperative unit defined. Includes education administrative districts in the list of cooperative school organizations.

49 Reward. Allows a school board to offer a reward for information leading to the conviction of a person who commits a crime against students, or school employees, volunteers or board members as a result of their district affiliation, or against district property.

50 Prohibiting school employees from using public resources for advocacy; endorsing timely and current factual information. (a) Requires school boards to adopt and implement a district policy prohibiting employees from using district funds or other district resources to advocate for electing or defeating a political candidate or passing or defeating a ballot question or pending legislation. Requires the policy to apply when the employee performs employment-related duties, including when the employee represents the district in an official capacity. States that the policy must not apply when an employee disseminates factual information about a political candidate or question or presents alternatives to a political question, consistent with the employee's employment-related duties.

(b) Requires school boards to provide the district electorate with timely factual information about a pending ballot question.

Makes this section effective January 1, 2006.

51 School site governance program.

Subd. 1. Establishment. Establishes a school site governance program to give schools added authority and flexibility to teach and serve students at the site. Declares that this section does not affect a district's ability to enter into a school site decision-making agreement under current law.

Subd. 2. Site decision-making team. (a) Requires an interested school to form a site decision-making team composed of at least the principal or other supervisor, a teacher, a noninstructional staff person, and a parent or other community member. Requires a team by October 1 of the year before participating in the program to obtain 60 percent employee approval, adopt a policy for delegating authority and responsibility among team members, and notify the school board.

(b) Requires the team to hold a public hearing and to solicit parent and community input.

(c) Requires the team by January 15 to demonstrate to the school board how it will respond to public comment.

Subd. 3. Responsibilities; revenue. (a) Confers on a site decision-making team the control and responsibilities of the school board for operating and managing the site and controlling the revenue needed to operate the site.

(b) Directs the site decision-making team by January 15 of the school year before participating in the program to enter into an agreement with the local school board describing the control and responsibility of the team and the school board. Allocates to the site the revenue the district receives and expends at the site. Requires other district revenue not reserved for other purposes to be proportionately allocated to the site. Requires the agreement to describe how the team and the board will resolve disputes about authority and responsibilities. Requires the board to vote whether to authorize the agreement. Makes the board decision final. Requires a school board that does not authorize an agreement to publish its decision and rationale.

(c) Directs the district to maintain an account for each participating site.

(b) Requires the site decision-making team to provide notice of regular and special meetings.

Subd. 4. Employees. Causes employees at the school site to remain school district employees for purposes of compensation and benefits but, consistent with current law and the collective bargaining agreement in effect, authorizes the site decision-making team to decide which district employees are transferred into licensed and nonlicensed positions at the site, including the chief administrator's position. Requires the school board and the exclusive representative of the teachers to provide for the employees of a participating site when negotiating a collective bargaining agreement.

Subd. 5. Performance agreements. Requires a site decision-making team by March 15 of the school year before participating in the program to enter into a performance agreement of no more than two years with the school board that includes: baseline information about student achievement at the site composed of state and national testing data, student attendance and dropout and graduation rates; expected improvement in student performance in the proximate school year; how student performance will be measured, consistent with applicable law; information about the school's revenues and expenditures; other agreed-upon performance expectations and measures; the frequency of site reports to the school board; and how performance



results will be transmitted to parents and the public.

Requires the agreement to describe how the board and the team will resolve disputes about complying with the agreement.

Requires the education commissioner, at the request of either party, to assist in reaching an agreement if the site and the school board fail to agree to the terms of a performance agreement under this subdivision.

Subd. 6. Termination of site-based program authority. Terminates the participation of a site that fails for two consecutive school years to meet performance agreement expectations and precludes that site from participating in the program again for three years.

Subd. 7. Reports. Requires a site decision-making team and permits a school board, by September 1 to annually report to the commissioner on site performance goals for meeting graduation standards, assessment data, progress in realizing improvement plans and revenue allocated to the site.

Subd. 8. Commissioner's duty. Directs the commissioner by January 1, 2010, to evaluate the program's effectiveness.

52 Duties. Prohibits a school board from entering into an employment agreement that limits a superintendent's ability to assign or reassign teachers and administrators within the district's schools.

53 Contract; duties. Strikes language requiring school districts to make an annual report to the education commissioner identifying district expenditures needed to ensure that 80 percent of students pass the basic standards tests in eighth grade, the highest student pass rates the district expects to attain by grade 12, the expenditures needed to attain those pass rates and the extent to which the district is cross subsidizing special education basic skills and general education revenue.

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

55 Board control of extracurricular activities. (a) Makes all resident charter school students eligible to participate in the extracurricular activities of their resident school district on the same basis as enrolled public school students. Requires charter school students to give their charter school and resident school district a 30-day notice of their intent to participate in the extracurricular activities of their resident school district. Requires charter schools to agree in writing to pay the direct and indirect costs attributable to the student participants. Makes charter school students ineligible to participate in the extracurricular activities of their resident school district if the charter school offers the extracurricular activities or the extracurricular activities are not controlled by the Minnesota state high school league. Requires charter school students participating in the extracurricular activities of their resident school district to meet the academic and student conduct standards of the resident school district. Requires charter schools to collect the same student eligibility information that school districts collect, transmit that information to the resident school district at least 10 days before a student begins participating in extracurricular activities and immediately transmit any added information affecting students' eligibility.

(c) Changes the name of the manual for reporting extracurricular revenues and expenditures

to the Manual for Activity Fund Accounting.

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

Makes this section effective for the 2005-2006 school year.

56 Financial arrangements. Does not generate on-line average daily membership for students enrolled in an instructional program where at least 40 percent of the instructional time occurs in a school's facilities. Directs the education department to calculate average daily membership for such students under the statutory section governing average daily membership.

Makes this section immediately effective.

57 Sponsor. Authorizes the education commissioner to approve up to five qualified charitable organizations as charter school sponsors. Requires interested charitable organizations to submit to the commissioner: articles, bylaws and board membership; sources of financing; areas of specialization; other information requested by the department. Requires approved sponsors to annually report to the commissioner on the charter schools sponsored, the effectiveness of the charter schools in promoting student achievement, the governance structures of the charter schools, and other information requested by the department. Allows approved charitable organizations to sponsor one or more charter schools. Allows the commissioner to withdraw approval from a charitable organization that mismanages finances, violates the law, or other good cause and to authorize a different sponsor or students' enrollment in other schools.

58 Formation of school. Strikes the ability of the commissioner to sponsor a charter school. Requires a charter school sponsor to file an affidavit with the education commissioner that states among its terms how the sponsor will oversee the fiscal and student performance of the charter school. Requires the commissioner to approve or disapprove a charter school sponsor's proposed authorization within 90 days, instead of within 60 days.

Makes this section effective for the 2005-2006 school year and later.

59 Contract. Requires the contract between the sponsor and the charter school contract to include, among other things, a process and criteria for monitoring and evaluating the fiscal and student performance of the charter school.

Makes this section effective for the 2005-2006 school year and later.

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

(n) Includes the same reference to the open meeting law in a second location in the charter school statute so that the open meeting law also appears in the list of statutory provisions

applicable to charter schools.

Makes this section effective for the 2005-2006 school year.

61 Review and comment. Before renewing the charter school contract, requires the charter school sponsor to submit timely information that permits the education department to review and comment on the performance of a charter school.

Makes this section effective for the 2005-2006 school year and later.

62 Causes for nonrenewal or termination of charter school contract. (c) Allows the education commissioner to approve a different eligible sponsor if either the sponsor or the charter school board of directors wants to voluntarily terminate the contract at the end of the contract term. Requires the party intending to terminate the contract to notify the other party at least 90 days before the contract terminates. Requires the sponsor to an existing contract to at least inform the different eligible sponsor about the fiscal and student performance of the charter school. Causes the charter school to dissolve if no different eligible sponsor is approved.

Makes this section effective for the 2005-2006 school year and later.

63 Charter schools; general education revenue. Clarifies the calculation of general education aid that is paid to charter schools. Authorizes charter schools to receive the full amount of general education revenue in state aid for those components of general education that require a levy (such as discretionary revenue and deferred maintenance revenue).

64 Charter schools; transportation revenue. Clarifies the calculation of transportation revenue that is paid to a charter school.

65 Charter schools; other aid, grants, revenue. Prohibits a charter school from receiving aid, grants or revenue that replace levy revenue.

66 Career and technical levy. Creates a new formula for career and technical program (formerly called the secondary vocational program) funding. Sets the levy amount equal to the lesser of \$80 per pupil or 25 percent of the district's actual approved expenditures and career and technical activities. Makes the new levy effective for taxes payable in 2008.

67 Eligible services. Provides assurance of mastery program instruction to students in grades 9 through 12 who were enrolled in grade 8 before the 2005-2006 school year and failed the basic skills tests or were enrolled in grade 8 in the 2005-2006 school year or later and failed the MCA-II's in reading, math or writing.

68 Program described. Clarifies that American Indian education programs are available in charter schools enrolling American Indian children.

69 Grants; procedures. Clarifies that charter schools are eligible to provide American Indian education programs for which grants are available. Strikes language requiring the education commissioner to submit proposals to the Advisory Committee on American Indian Education Programs for its grant recommendations.

70 Awards. Strikes a requirement that the education commissioner consult with the Minnesota Indian Education Committee and also language that the Minnesota Indian Education Committee will advise on scholarship types and amounts, including scholarships for more than five years.

71 Career and technical levy. Limits the current levy for career and technical program costs to the next two years (taxes payable in 2006 and 2007) because the levy is replaced with a new career and technical levy.

72 Alternative attendance aid adjustment; charter schools. Matches the calculation of the transportation adjustment for charter schools not providing transportation services to the new general education formula amounts and pupil weights.

- 73 Dues and events revenue. Allows the administrative regions of the high school league to contract with the state auditor or a private CPA to perform required audits. Allows the state auditor to require additional information from CPAs who perform the audits, and to accept the CPA's audit or make additional exams.
- 74 Copies. Requires the high school league board to file copies of the audit report.
- 75 Board meetings by telephone or other electronic means. Allows the board of the Perpich Center for Arts Education to conduct meetings by telephone or electronically if certain criteria are met.
- 76 Persons not eligible. Requires a person under age 18 to present to the Department of Public Safety a certificate of school attendance or a certificate that the attendance requirement is waived as a condition for the department to issue a driver's license.

Makes this section effective September 1, 2005, and applicable to all persons under age 18 who have or apply for a driver's instruction permit or provisional license on or after that date.

- 77 Persons 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 of school attendance or a certificate that the attendance requirement is waived.

Makes this section effective September 1, 2005, and applicable to all persons under age 18 who have or apply for a driver's instruction permit or provisional license on or after that date.

Makes this section effective September 1, 2005.

- 78 Instruction permit use by person under age 18. (e) 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, 2005, and applicable to all persons under age 18 who have or apply for a driver's instruction permit on or after that date.

- 79 Motorized bicycle. Allows the public safety department to issue a motorized bicycle instruction permit to an otherwise qualified 15 year old applicant who presents a certificate of school attendance or a certificate that the attendance requirement is waived.

Makes this section effective September 1, 2005, and applicable to all persons under age 18 who have or apply for a motorized bicycle instruction permit on or after that date.

- 80 School attendance requirement for driver's instruction permit, motorized bicycle permit, and provisional license.

Subd. 1. Definitions. Defines "continuing truant," "habitual truant," "high school diploma," "public school," "school board," and "school principal" for the purposes of this section.

Subd. 2. Issuance of renewal of 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 the school attendance requirement is waived. 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 in a public, nonpublic, or home school and remaining in

school.

(b) Requires a person under age 18 who applies for a driver's instruction permit, motorized bicycle permit, or provisional license to submit information certifying that the conditions under paragraph (a) have been met.

Subd. 3. Expungement of record. (a) Directs the Department of Public Safety to expunge a student's truancy data upon the request of a student age 18 or older.

Makes this section effective September 1, 2005, and applicable to all persons under age 18 who have or apply for a driver's instruction permit, motorized bicycle permit, or provisional license on or after that date.

81 Child in need of protection or services. Includes a child who is a continuing truant within the definition of a "child in need of protection or services."

Makes this section effective July 1, 2005.

82 Continuing truant. Defines continuing truant to mean a student who is absent without valid excuse for three or more class periods on three days.

Makes this section effective July 1, 2005.

83 Dispositions. Directs a court to cancel the driving privileges of a continuing or habitual truant.

84 Board of school administrators. Allows the board of school administrators by June 30, 2007, to adopt expedited rules to make technical revisions and clarifications.

85 Career and technical education program rules. Directs the education commissioner by January 1, 2007, to adopt rules for approving career and technical education programs that emphasize emerging workforce skills. Makes programs approved in fiscal year 2008 and later subject to these rules.

86 Minnesota comprehensive assessments; rules. Directs the education commissioner by January 1, 2005, to adopt rules for implementing the second edition of the Minnesota comprehensive assessments in reading, math and writing. Requires the rules to contain criteria and an alternative assessment process to enable school districts to accommodate students who do not pass the MCA's II.

87 Title. Names section 1 the "American Heritage Education in Minnesota Public Schools Act."

Makes this section immediately effective.

88 Study; sponsor evaluation and charges. Directs the education department by December 31, 2005, after consulting with representatives of charter schools and sponsors, to recommend to the legislature how a sponsor effectively evaluates the performance of a charter school and what annual evaluation fees a sponsor may charge.

89 Model policy. Directs the education commissioner to develop and make available a model policy to effect a reward for information about persons committing crimes against people affiliated with a district or against district property. a model policy to effect a reward for information about persons committing crimes against people affiliated with a district or against district property.

90 Supplemental agreements; alternative teacher pay. Allows districts that before July 1, 2005, enter into a collective bargaining agreement for the period of July 1, 2005, to June 30, 2007, before July 1, 2005, to enter into a supplemental agreement for purposes of the alternative teacher pay program.

91 Appropriations. Appropriates money for the following programs: charter school building lease aid; charter school startup aid; integration aid; magnet school grants; interdistrict desegregation or integration transportation grants; success for the future; American Indian scholarships; tribal contract schools; early childhood programs at tribal schools; statewide testing; AP and IB exam fees and teacher training and support programs; first grade preparedness; collaborative urban educator; youthworks program; student organizations; education planning and assessment program; college level exam program; career and technical education grants; Minnesota learning resource center; teacher professional development; Minnesota historical society; and rewarding educational excellence.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

92 Repealer. Repeals the on-line learning option payment priority (Minn. Stat. § 1240.095, subdivision 9).

### **Article 3: Special Programs**

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## **Overview**

This article appropriates money for special education programs. Programmatic changes in this article affect the tuition billing process among school districts when students enroll in a nonresident district, the special education revenue formulas, including the partial reinstatement of inflation factors through an equalized aid and levy, and the special education excess cost aid, among other changes.

1 Charter school special education aid. Adjusts a charter school's special education aid amount and tuition bill-backs consistent with alternative attendance provisions under section 127A.47.

2 Initial action; parent consent. (a) Allows school districts to apply provisions of the Pupil Fair Dismissal Act applicable to students without disabilities to students whose parents refuse to consent to an initial special education evaluation. States that a parent's refusal to consent to an initial evaluation or reevaluation is not a ground for disciplinary action.

(b) Allows parents to agree or disagree to the administration of psychotropic drugs to their child. Defines psychotropic drugs. Prohibits school officials from using a parent's refusal to consent to have psychotropic drugs administered to their child or to consent to an evaluation, screening, or exam of the child as a basis for prohibiting the child from participating in school activities or for making a charge of abuse or neglect.

Makes this section effective for the 2005-2006 school year.

3 Nonresident tuition rate; other costs. Reconfigures the tuition calculation that nonresident school districts must use to bill resident school districts for certain unreimbursed special education costs.

For a pupil for whom revenue is not adjusted under section 127A.47, the tuition amount

equals:

- (1) the actual cost of special instruction, including special transportation, and unreimbursed building lease and debt service costs for facilities used primarily for special education; plus
- (2) the amount of general education revenue and referendum aid attributable to the pupil; minus
- (3) the amount of any special education aid received by the nonresident district for that child; minus
- (4) for pupils who receive more than 60 percent of their services outside the regular classroom, the amount of general education revenue and referendum aid excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation attributable to that pupil for the portion of time the pupil receives instruction in the regular classroom.

4 Parent advisory councils. Includes a parent of a disabled nonpublic school student on a school district's special education advisory council when a nonpublic school is located in the district. Requires the council to meet at least annually.

5 State interagency coordinating council. Directs the interagency coordinating council to make policy recommendations to the governor and specified commissioners on the date that the Minnesota Part C Annual Performance Report is submitted to the federal government, instead of by September 1.

Extends the council's expiration date from June 30, 2005 to June 30, 2009.

6 Special education definitions. Restores the regular special education growth factor at 4.0 percent for FY 07 and FY 08 only (prior to FY 2004, the statewide total regular special education aid was inflated by 4.6 percent per year-the changes first effective in FY 04 eliminated the growth factor).

7 State total special education aid. Eliminates the program growth factor from the calculation of state total special education aid.

8 Special education levy revenue. Creates a new equalized special education revenue program in FY 07 equal to the special education growth factor times the state total special education aid for that year. Increases this revenue by the program growth factor for FY 08 and later. Makes each district's share of the revenue equal to its proportionate share of regular special education aid.

9 Special education levy. Sets the special education levy equal to the district's special education levy revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per pupil to \$5,913.

10 Special education levy equalization aid. Makes a district's special education equalization aid equal to the difference between its special education levy revenue and its special education levy.

11 Special education excess cost definitions. Eliminates the offset for referendum revenue from the special education excess cost aid calculations. Removes an obsolete definition.

12 Initial excess cost aid; fiscal years 2004 and 2005. Limits the current calculation of initial excess cost aid to FY 04 and FY 05.

13 Initial excess cost aid. Beginning in FY 06, eliminates the alternative method of calculating excess cost aid, which is based on the increase in the district's special education costs from

one year to the next and also bases a district's initial excess cost aid on its prior year costs instead of its current year costs.

- 14 Supplemental excess cost aid. Creates a new special education aid called "supplemental excess cost aid". Limits the statewide total supplemental cost aid to \$2 million per year. Establishes a district's supplemental excess cost aid as the greater of zero or 75 percent of the growth in costs between the current year and the previous year in excess of \$80 per pupil unit.
- 15 State total special education excess cost aid. Increases special education excess cost aid by approximately \$11 million beginning in fiscal year 2006.
- 16 District special education excess cost aid. Sets a district's special education excess cost aid for FY 06 and later equal to 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 the state total initial excess cost aid and the district's supplemental excess cost aid.
- 17 Aid payment percentage. Sets the current year aid payment percentage for special education excess cost aid equal to that for most other programs (84.3 percent if Racino passes the House and approximately 82.2 percent otherwise).
- 18 Alternative attendance programs. Modifies the adjustment made for students who move under alternative attendance programs to include a special education adjustment. Requires the district of residence to pay tuition to a serving district equal to:
- (1) the actual cost of providing special instruction, including a proportionate amount for special transportation; minus,
  - (2) for a pupil who receives special instruction outside of the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid attributable to that pupil for the portion of time that the pupil receives special instruction outside of the regular classroom, excluding the portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation; minus
  - (3) special education aid attributable to that pupil.
- 19 Advisory committee. Directs the education commissioner to appoint a five-member advisory committee of library users to advise the Minnesota Library for the Blind and Physically Handicapped staff on long-range plans and services. Causes the committee not to expire.
- 20 Special education excess cost appropriation: 2004-2005. Adjusts special education revenue for Independent School District No. 2580, upward by \$150,000 for fiscal year 2005. Note: The East Central School district employs a number of teachers who provided services to juveniles placed at the St. Croix camps. The camps operated by the Wilder Foundation, are being closed before the end of the school year.
- 21 Task force on delivery of special education to nonpublic school students by public school districts. Establishes a task force to compare and evaluate how the needs of each child are being met. Requires the governor to appoint all task force members from an expansive list of groups. Requires the task force to submit a report to the legislature by January 15, 2006.
- 22 Appropriations. Appropriates money for the following programs:

- Regular special education aid;
- Special education equalization aid;



- Aid for children with disabilities;
- Travel for home-based services;
- Special education excess cost aid;
- Litigation costs for special education;
- Transition for disabled students;
- Court-placed special education revenue; and
- Out-of-State tuition special education.

See attached fiscal worksheet for details. Online at  
<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>  
<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## **Article 4: Facilities and Technology**

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### **Overview**

This article appropriates money for facilities and technology programs.

- 1 Debt service equalization aid; definitions. Makes a conforming change to the definition of tax base used to calculate debt service equalization to accommodate the creation of JOBZ property.
- 2 Debt service appropriation. Adjusts the fixed standing appropriation for debt service equalization aid to match forecast estimates for fiscal years 2008 and 2009.
- 3 Bond Authorization. Sets a timeline of at least 60 days before a school board issues alternative facilities bonds for the district to publish notice of the intended projects and any review and comment by the commissioner on the projects.
- 4 Levy authorization. Sets a timeline of at least 20 days before a school board certifies an annual levy for alternative facilities projects not funded through the sale of bonds for the district to publish notice of the intended projects and any review and comment by the commissioner on the projects.
- 5 Uses of the account. Requires that any revenue raised through the capital project referendum account (formerly called the down payment revenue program) be reserved and used only for qualifying capital expenditures.
- 6 Deferred maintenance revenue. Creates a new equalized aid and levy for school districts that do not qualify for the alternative facilities deferred maintenance program (only districts with very large physical plants currently qualify for the alternative facilities deferred maintenance program). Sets the revenue equal to \$45 times the district's pupil units for that year times the district's building age index. Limits the maximum revenue to \$45 per pupil unit. Makes the revenue first available for fiscal year 2007. Sets the levy share of the revenue equal to the district's deferred maintenance revenue times the lesser of one or the ratio of the district's adjusted net tax capacity per pupil unit to \$5,913. Sets the aid amount

equal to the difference between the revenue and the levy. Requires the revenue to be reserved and limits its uses to health and safety projects, accessibility projects, and deferred capital expenditure and maintenance projects.

7 Review and comment. Makes clear that alternative facilities building projects are subject to the commissioner of education's review and comment process.

8 Information required. Beginning July 1, 2006, requires a school board proposing to construct a school facility to submit to the education commissioner a proposal that includes, among other things, a description of how the architects and engineers have considered national standards governing background noise levels and reverberation times.

9 Publication. Makes clear that publication requirements for alternative facilities projects are the ones in sections 1 and 2 of this article.

10 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 percent 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 percent of the nonpublic school's unreimbursed costs exceeding \$10 per pupil unit. Makes the nonpublic school responsible for any costs in excess of the amount the district receives for this service. Provides a severability clause 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.

11 Maximum effort net debt service levy. Reduces the maximum effort levy that would apply if no state aid payments are required to make principal and interest payments on outstanding capital loans from 30.1 percent to 25 percent of each district's adjusted net tax capacity.

12 Maximum effort debt service levy. Reduces the maximum effort debt service tax rate from 32 percent to 28 percent of adjusted net tax capacity for school districts that received maximum effort capital loans prior to January 1, 2002. Reduces the maximum effort debt service tax rate for new capital loans and for those that have been issued since January 1, 2002 from 40 percent to 32 percent of adjusted net tax capacity.

13 Bonds paid from taconite production tax revenues.

Subd. 1. Refunding bonds. Clarifies that taconite production tax proceeds continue to apply to certain taconite school district facility bonds issued to refund the bonds originally issued for these purposes.

Subd. 2. Local payments. Clarifies that certain taconite school districts that are required to make payments on bonds issued for facilities purposes may continue to make the payments from any funds available to the districts.

14 Levy authority; Glencoe-Silver Lake. Authorizes Independent School District No. 2859, Glencoe-Silver Lake, to levy an additional \$81,276 for taxes payable in 2006. Makes \$63,850 of the total available to correct storm damage to the Lakeside Elementary School. Makes \$17,426 available for the costs associated with water service line work at Lincoln Junior High School.

15 Red Wing levy. Authorizes Independent School District No. 256, Red Wing, to levy up to \$158,000 to eliminate its \$158,000 construction deficit associated with the construction of an ice arena.

16 Residential program facilities; Worthington. Authorizes Independent School District No.

518, Worthington, to use facilities owned by the state to provide adult foster care or child foster services.

17 Appropriations. Appropriates money for the following programs:

- Health and safety aid;
- Debt service equalization aid;
- Alternative facilities bonding aid;
- Telecommunications/Internet access aid; and
- Deferred maintenance equalization aid.

See attached fiscal worksheet for details. Online at  
<http://www.house.leg.state.mn.us/fiscal/files/k12051vy.pdf>  
<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## **Article 5: Nutrition and Accounting**

Page 188

### **Overview**

This article contains changes to school accounting measures, fund transfers, and appropriates money for school nutrition services including school lunch and school breakfast and kindergarten milk.

1 Direct classroom expenditures. Defines "total K-12 operating expenditures" and "direct classroom expenditures." Requires a school district to spend at least 65 percent of total K-12 operating expenditures on direct classroom activities. Requires a district that is spending less than 65 percent on direct classroom activities to increase the amount spent on these activities by 2 percentage points per year.

Allows the commissioner to waive the spending requirements for a school district.

Requires the superintendent of each school district to submit a letter to the commissioner verifying the district's direct classroom expenditures for the previous year.

2 Structurally balanced school district budgets. Extends the reach of the structural balance law from one year after the agreement ends to two years after the agreement ends. Requires estimated employee terminations to be included in the materials released as part of the structural balance law.

3 Levy recognition. Corrects an obsolete reference.

4 School lunch and computation. Clarifies the current practice of paying school lunch aid to public schools, charter schools, nonpublic schools and other participants in the national school lunch program.

5 School lunch aid; application. Clarifies the current practice of paying school lunch aid to public schools, charter schools, nonpublic schools and other participants in the national school lunch program.

6 Kindergarten milk; reimbursement. Increases the reimbursement rate for kindergarten milk from nine cents to 14 cents for each half-pint served.

- 7 Violations of law. Includes in the commissioner's authority to reduce or withhold state aid to school districts, the ability to do so for districts that do submit their structural balance reports to the department.
- 8 Definitions. Defines the term "current year aid payment percentage." Keeps the percentage at 84.3 percent for fiscal year 2006 and later unless the Racino bill passes. Note: The stated rate in statute of 80 percent was increased to 84.3 percent because of the 2004-05 ending balance surplus.
- 9 Payments to school nonoperating funds. Changes the current year aid payment percentage from a fixed percentage to a cross-reference to subdivision 2.
- 10 Non-public aids. Changes the current year aid payment percentage from a fixed percentage to a cross-reference to subdivision 2.
- 11 Payments to third parties. Changes the current year aid payment percentage from a fixed percentage to a cross-reference to subdivision 2.
- 12 Fund transfers. Authorizes fund transfers for local school districts.

Subd. 1. Fund transfer; Lake Crystal-Wellcome Memorial. Authorizes Independent School District No. 2071, Lake Crystal-Wellcome Memorial, to transfer any balance in its reserved capital account resulting from the sale of school property and up to \$132,754 from its disability access account to its undesignated general fund balance.

Subd. 2. Fund transfer; Rockford. Authorizes independent school district No. 883, Rockford, to transfer the amount from the sale of a school building, up to \$660,000, from its debt redemption fund to its undesignated balance in the general fund.

Subd. 3. Fund transfer; Russell. Authorizes independent school district No. 418, Russell, to transfer up to \$50,000 from its reserved capital account in the general fund to its undesignated general fund balance.

Subd. 4. Fund transfer; Ruthton. Authorizes independent school district No. 584, Ruthton, to transfer up to \$140,000 from its reserved capital account in the general fund to its undesignated general fund balance.

Subd. 5. Fund transfer; Windom. Authorizes independent school district No. 177, Windom, to transfer up to \$270,000 from its reserved capital account in the general fund to its undesignated general fund balance.

Subd. 6. Fund transfer; Chokio-Alberta. Authorizes independent school district No. 771, Chokio-Alberta, to transfer up to \$150,000 from its reserved capital account in the undesignated general fund balance.

- 13 Disabled access authority; East Grand Forks. Authorizes Independent School District No. 595, East Grand Forks, to levy its remaining disabled access levy over five or fewer years.
- 14 Tax base adjustments, Fertile-Beltrami school district. Requires the commissioner of education to reduce the net tax capacity levies of independent school district No. 599, Fertile-Beltrami, before making any levy adjustments to the district's referendum market value levy. Requires these adjustments to cease once the school district's current referendum authority expires.
- 15 Funding reduction. Requires the Commissioner of Education to decrease the current year aid payment percentage by the amount that would reduce the education aids appropriation by \$134 million for the 2006-2007 biennium if the Racino bill is not passed by the House. It is expected that this would reduce the current year aid payment percentage from 84.3

16 percent to approximately 82.2 percent.  
Appropriations. Appropriates money for the following programs:

- School lunch aid;
- School breakfast aid; and
- Summer school food service replacement aid.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## **Article 6: Libraries**

Page 199

### **Overview**

Appropriates money for state-funded library systems.

1 Appropriations. Appropriates money for the following programs: basic support system; multicounty, multitype library systems; electronic library for Minnesota; regional library telecommunications aid; and Minnesota link.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## **Article 7: Early Education**

Page 200

### **Overview**

Proposes initiatives to provide and improve programs serving children ages 3 to entering kindergarten.

1 Early childhood developmental screening. Directs school districts to target children between ages 3 and 4 for developmental screening. Assigns a student identification number at the time a child receives an early childhood developmental screening or comparable screening. Requires school districts to provide essential data to the education department.

Makes this section effective immediately.

2 Screening program. Includes in a developmental screening those assessments that measure a child's cognitive development.

3 Developmental screening program information. Allows families to have their children screened by a public or private health care organization or individual health care provider.

Requires districts to inform resident families with children under age 7 that their children may receive a developmental screening conducted by the school district or a public or private health care provider.

4 Developmental screening aid. Increases from \$40 to \$50 the amount the state pays a school district for each three-year-old-screened and pays \$40 for each four-year-old screened and \$30 for each five-year-old screened before entering kindergarten.

5 Revenue. Increases early childhood family education (ECFE) revenue from \$96 times 150 or the number of district residents under age five in FY 2005 to \$115 times 150 or the number of residents under age five in FY 2006 and to \$125 times 150 or the number of residents under age five in FY 2007 and later.

6 Use of revenue restricted. Adds a cross reference to define early childhood family education revenue and limit administrative costs.

7 Establishment; purpose. Allows school districts to establish a school readiness program for children age three to entering kindergarten in order to prepare children cognitively and physically and teach the self discipline needed for kindergarten.

8 Program requirements. (a) Requires a school readiness program to: (1) provide for each child a developmental screening when the child enrolls in the program and again before the child exits the program in order to inform program planning and promote kindergarten readiness; (2) provide comprehensive program content based on early childhood research and professional practice that is focused on children's cognitive skills and development and prepares children for kindergarten; (3) arrange for early childhood screening and referral; (4) involve parents in program planning and decision making; (5) coordinate with community-based services; and (6) cooperate with adult basic education and other adult literacy programs.

(b) Directs districts that establish school readiness programs to monitor the school performance of those students who participate in the program and subsequently attend a district school in kindergarten through grade 3, compare the school performance of those students with other students who did not participate in the program and annually report performance comparisons by May 1.

9 Application and reporting requirements. (a) Makes state aid contingent upon school readiness programs submitting a biennial plan by April 1 to the commissioner for approval. Requires one-half of school districts to submit the plan by April 1, 2006, and one-half of school districts to submit the plan by April 1, 2007.

(b) Requires school readiness programs that receive funding annually to report to the department.

10 Services with new or existing providers. Allows school districts to contract with a charter school or community-based organization to provide school readiness programs. Allows districts to submit a copy of each contract with their biennial plan.

11 Supervision. Strikes language causing a school readiness program provided under a district contract with a nonpublic organization to be governed by the contract terms.

12 Program fees. Requires a school district to adopt a sliding fee schedule based on a family's income. Strikes language requiring a fee structure that enables all eligible children to participate.

13 Assistance. Requires the education department to assist school districts with school readiness programs.

14 Amount of aid. Makes school districts' eligibility to receive school readiness aid contingent on having a biennial plan approved by the commissioner. Amends the school readiness aid formula.

- 15 Use of aid. Limits to five percent the amount of school readiness aid that can be used for administrative costs.
- 16 Minnesota early learning foundation proposal. (a) Requires the education commissioner to implement paragraphs (b) and (c) to the extent revenue is available.
- (b) Directs the commissioner to implement an early childhood development grant program for low-income and other families that increases the effectiveness and expands the capacity of early childhood development programs and leads to improved early childhood parent education and children's kindergarten readiness. Requires eligible children to demonstrate at least two at-risk criteria.
- (c) Requires the program to include grant awards to program providers and low-income families, grants to improve overall programmatic quality and an evaluation of programs' programmatic and financial efficacy. Precludes the grant programs from supplant existing programs or funds.
- (d) Directs the commissioner to contract with a private nonprofit organization to implement paragraphs (b) and (c). Requires the organization to be governed by a board of directors composed of public and nonpublic members. Requires the board of directors to appoint an executive director and to seek advice from parents, program providers, educators, librarians and business people. States that the organization's bylaws govern the terms and conditions under which board members serve and operate. States that the organization is not a state agency and not subject to laws governing state agencies.
- (e) Causes this section to expire June 30, 2011.
- 17 Prekindergarten programs. Requires school districts to use the compensatory revenue they allocate to support prekindergarten programs for resident and nonresident children ages 3 1/2 to entering kindergarten from families eligible for free or reduced price school meals. Allows school districts to contract with private preschools and other program providers.
- 18 Public employer or employee. Makes an early childhood family education teacher employed by a school district a public employee under chapter 179A.
- Makes this section effective July 1, 2005.
- 19 Pilot program for at-risk pre-K children.

Subd. 1. Establishment; eligibility; application process. (a) Establishes an early childhood education pilot program for children between age 3 and entering kindergarten to develop or expand developmentally appropriate and cost-effective programs for children who demonstrate two or more specified at-risk criteria.

(b) Requires a grant applicant to demonstrate to the education commissioner that the applicant is a qualified provider of care, education and social services for young children and their families, has successfully operated a program that includes a parent component for at least two years, addresses the physical and educational needs of young children and their families and measures the success of the applicant's program.

(c) Requires a grant applicant to submit an application to the education commissioner that demonstrates the applicant's qualifications and describes how the applicant proposes to develop or expand a developmentally appropriate and cost-effective

program for at-risk children.

Subd. 2. Grant awards. Allows the education commissioner to award up to five grants to qualified providers throughout the state that are based on the number of children and families the provider expects to serve. Requires grant recipients to use the grant to provide a developmentally appropriate and cost-effective program for at-risk children and their families.

Subd. 3. Evaluation. Directs the education commissioner to identify the elements and evaluate the programmatic and cost-effectiveness of the grant recipients' programs and submit reports to the legislature by January 15, 2008, and by January 15, 2014.

Makes this section effective July 1, 2005.

20 MELF progress report. Directs the MELF contractor to submit to the legislature by February 1, 2008, an interim progress report.

21 Appropriations. Appropriates money for school readiness, early childhood family education aid, health and developmental screening aid, the Head Start program and the Minnesota Early Learning Foundation.

See attached fiscal worksheet for details. Online at <http://www.house.leg.state.mn.us/fiscal/files/k12051vy.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

22 Repealer. (a) Repeals provisions of the school readiness program governing child eligibility, program goals, coordination with other providers, advisory councils, prioritizing services, child records, district standards and additional revenue on July 1, 2005 (Minn. Stat. § 124D.15, subds. 2, 4, 6, 7, 8, 9, 11 and 13).

(b) Repeals the program review and approval provision under the section governing school readiness aid on July 1, 2006 (Minn. Stat. § 124D.16, subd. 1).

## **Article 8: Prevention**

Page 215

### **Overview**

Proposes changes to the general community education revenue and technical changes to the lead abatement program and appropriates money.

1 Definitions. Clarifies that "commissioner" for purposes of the lead abatement program refers to the commissioner of health, not the commissioner of education.

2 Grants; administration. Makes a technical change requiring the commissioner of health, who administers the lead abatement program, to consult with the housing finance agency director when awarding grants.

3 Applicants. Makes a technical change requiring the commissioner of health, who administers the lead abatement program, to consult with boards of health for secondary prevention purposes.

4 Testing and evaluation. Makes a technical change requiring the commissioner of health, who administers the lead abatement program, to collect data and conduct evaluations.

5 General community education revenue. Changes funding for the basic community education



6 program from \$5.23 to \$6.00 per capita beginning in fiscal year 2007.  
Appropriation.

See the attached fiscal worksheet for details. Online at  
<http://www.house.leg.state.mn.us/fiscal/files/k12051vy.pdf>

<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## **Article 9: Self-Sufficiency and Lifelong Learning**

Page 220

### **Overview**

This article appropriates money for adult basic education, intensive English instruction, GED tests and for the lead hazard reduction program.

Program changes include the creation of a new two-year program to provide grants for intensive English instruction, and a modification to the adult basic education program that allows any program amounts that would otherwise cancel to the general fund to be reallocated among the program providers.

- 1 Accounts; revenue; aid. Authorizes an adult basic education program to include in its valid expenditures for the current year spending that occurs from July 1 to September 30 of the following year.
- 2 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).
- 3 Adult basic education program aid limit. Authorizes the amounts of adult basic education 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.
- 4 Grant for intensive English instruction for new adult refugees. Creates a new two-year grant program for fund intensive English as a second language (ESL) services for adult refugees. Includes in the list of eligible grant recipients adult basic programs, school districts, postsecondary institutions, nonprofits, community-based organizations, or other private organizations with experience in providing English language instruction to non-English speaking immigrants and refugees. Allows the Commissioner of Education to prescribe the form and manner of grant applications. Requires the grants to be provided on a reimbursement basis. Expires the program on June 30, 2007.
- 5 Revisor's instruction. Directs the revisor of statutes to recodify the lead abatement program in chapter 144 to correspond to the program being transferred from the education department to the health department.
- 6 Appropriations. Appropriates money for the following programs:

- Adult basic education aid;
- GED tests;

- Intensive English instruction; and
- Lead hazard reduction.

See attached fiscal worksheet for details Online at  
<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>  
<http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .

## Article 10: State Agencies

Page 224

### Overview

This article proposes changes to the teacher licensure system, student support services, the statewide student information and reporting system and appropriations to the education department, the state academies for the deaf and the blind and the Perpich center for arts education.

- 1 License and rules. (o) Directs the board of teaching, in consultation with representatives of innovative schools and programs, charter schools, alternative schools, small schools and rural schools, to adopt rules to license teachers of interdisciplinary teaching.
- 2 Variances. (c) Declares that a special education license variance issued by the board of teaching for a primary employer's low-incidence region is valid in all low-incidence regions.
- 3 Teacher training program for qualified professionals.

Subd. 1. Scope and requirements. (a) Establishes an alternative teacher training program for qualified professionals to acquire an initial teaching license in the fields of science, math, world languages, ESL and special education. Authorizes Minnesota public or private postsecondary institutions approved by the Board of Teaching to provide the program.

(b) Requires an eligible applicant at least to have a bachelor's degree, to have an undergraduate major or a post baccalaureate degree in the subject to be taught or in a related subject, to pass a basic skills reading, writing and math exam, to pass the Praxis II subject assessment in the relevant subject area, to have a cumulative GPA of at least 2.75 on a 4.0 scale for a bachelor's degree, show employment that is related to the subject area being taught and show district employment as a teacher conditioned on participating in an alternative teacher training program.

Subd. 2. Program. Requires the alternative teacher training program to continue for one year and include: a summer or preinduction classroom program that the candidate must complete before entering the classroom; 200 clock hours of specified instruction leading to a license and up to 15 credits toward a master's degree in education; on the job mentoring, evaluation and supervision provided by the employing district; and a one-week intensive workshop that may go toward satisfying the requirement for 200 clock hours of instruction.

Subd. 3. Program approval. Directs the Board of Teaching to approve program proposals from the state's public and private postsecondary institutions using criteria

developed after considering the recommendations of a board-appointed advisory group composed of the education commissioner and representatives of school superintendents, principals, teachers, and postsecondary institutions.

Subd. 4. Eligibility license. Grants eligible applicants a one-year license to teach. Requires a mentor to be assigned to the applicant teacher and requires the mentor and applicant teacher to meet weekly during the school year. Allows the employing school district to deduct mentoring costs from the applicant teacher's salary.

Subd. 5. Standard entrance license. Directs the Board of Teaching to issue a standard entrance license to an applicant teacher who successfully completes one school year in the classroom, passes the Praxis II tests and receives a positive recommendation from the evaluation team.

Subd. 6. Qualified teacher. Declares that a teacher with a valid license under this program is a qualified teacher.

4 Probationary period. (c) Requires probationary teachers in school districts other than first class city school districts to complete at least 60 days of teaching service each year during the probationary period. States that parent-teacher conferences, teachers' workshops and other staff development opportunities do not count as days of teaching service for this purpose.

Makes this section effective July 1, 2005.

5 Probationary period; discharge or demotion. (b) Requires probationary teachers in first class city school districts to complete at least 60 days of teaching service each year during the probationary period. States that parent-teacher conferences, teachers' workshops and other staff development opportunities do not count as days of teaching service for this purpose.

Makes this section effective July 1, 2005.

6 Report. Directs the board of teaching, in consultation with alternative teacher training program providers and the education department, to evaluate the efficacy of alternative teacher training programs.

7 Licensed student support services.

Subd. 1. Access to services. Directs school districts and the education department to work to provide students with access to licensed student support services, including school nurses, counselors, social workers and psychologists, to support the students' educational achievement, safety and physical, emotional and social well-being.

Subd. 2. Funding. Directs school districts and the education department to explore funding opportunities for improving students' access to licensed student support services.

Subd. 3. Improving access. Directs school districts and the education department to consider nationally recommended licensed staff-to-student ratios, work loads and best practices when working to improve students' access to licensed student support services.

8 Statewide information and reporting system working group; study and report.

Subd. 1. Working group convened. (a) Directs the education commissioner to

convene a working group composed of representatives of school districts, charter schools, area learning centers and the departments of education and administration and up to three knowledgeable citizens. Directs the working group to develop a plan to improve the quality and decrease the cost of student information systems.

(b) Directs the working group to determine whether the student information system (1) best operates as a single or integrated system; (2) includes hardware as well as software and technical support; (3) is run locally or centrally; and (4) can be run by private sector companies.

Subd. 2. Request for proposals. Directs the working group to develop a framework for a request for proposals for the student information and reporting system. Lists requirements a vendor must satisfy when implementing the system.

9 Appropriations; Department of Education.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

10 <http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .  
Appropriations; Minnesota State Academies.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

11 <http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .  
Appropriations; Perpich Center for Arts Education.

See attached fiscal worksheet for details. Online at

<http://www.house.leg.state.mn.us/fiscal/files/k1205lvy.pdf>

12 <http://www.house.leg.state.mn.us/fiscal/files/k1205app.pdf> .  
Repealer. Repeals the existing alternative licensure program for teachers (Minn. Stat. § 122A.24).

## Article 11: Forecast Adjustments

Page 235

### Overview

An appropriations deficiency occurs when the appropriation in law is smaller than the amount necessary to fully fund the program. For the last several years, the Legislature and the executive branch have operated under a series of budget principles that require the Legislature to fully fund programs and for the Forecast to reflect the full cost of these programs.

This bill makes corrections to appropriations for fiscal years 2004 and 2005 where the line item appropriation was insufficient to fully fund the aid amounts. These appropriations are already included in the February 2005 Forecast of base expenditures. Any appropriation that is larger than the amount necessary to fully fund the program will automatically cancel back to the state general fund at the end of the fiscal year.

Appropriations that are modified in this bill to match the February 2005 Forecast aid estimates include:

- general education aid;
- referendum tax base replacement aid;
- nonpublic pupil aid;
- nonpublic pupil transportation aid;
- charter school building lease aid;
- integration aid;
- success for the future aid;
- aid for tribal contract schools;
- regular special education aid;
- aid for children with disabilities;
- travel for home-based services;
- special education excess cost aid;
- aid for the transition of disabled students;
- court-placed special education aid;
- health and safety aid;
- debt service equalization aid;
- alternative facilities bonding aid;
- school breakfast aid;
- library aid;
- school readiness aid;
- health and developmental screening aid;
- community education aid;
- adults with disabilities program aid;
- school age care aid; and
- adult basic education aid.

## Article 12: Technical and Conforming Amendments

Page 244

### Overview

This article contains the revisor's recommendations for technical and conforming amendments to the education code.

- 1 Statistical adjustments. Removes an obsolete reference to the profile of learning and references the new academic standards.
- 2 Suspension. Corrects an incorrect cross-reference.
- 3 Youth works grants. Removes references to a repealed section.
- 4 Appropriation transfers. Corrects an incorrect cross-reference.
- 5 Payment percentage for certain aids. Corrects an incorrect cross-reference.