

Chapter: 43; VETOED

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Overview

This is the act summary for the initial K12 Omnibus Bill for the 2017 legislative session. Governor Mark Dayton vetoed this act on May 12, 2017.

Article 1: General Education

Overview

This article makes changes to general education revenue, establishes e-learning days, and makes other changes.

1 Length of school year; hours of instruction. Allows school boards to include plans for up to five days of instruction provided through online instruction due to inclement weather.

2 E-learning days.

Subd. 1. Days. Defines “E-learning day” as a school day where a school offers full access to online instruction due to inclement weather. An e-learning day is counted as a day of instruction.

Subd. 2. Plan. Allows school boards and charter schools to adopt e-learning plans after consulting with teachers. Requires school boards and charter schools to adopt plans that include accommodations for students who lack access to internet at home or digital devices, and accessible options for children with disabilities.

Subd. 3. Annual notice. Requires school districts and charter schools to notify parents and students of the e-learning plan at the beginning of the school year.

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Subd. 4. Daily notice. Requires school districts and charter schools to notify parents and students at least two hours before school start time that students need to follow e-learning day plan for the day.

Subd. 5. Teacher access. Requires teachers to be accessible online and by telephone during normal school hours on e-learning days.

- 3 **Exclusions.** Clarifies that students' use of asthma inhalers under the statute generally regulating administration of drugs and medicine to students in Minnesota school districts, must also comply with the specific statute regarding possession and use of asthma inhalers.
- 4 **Possession and use of asthma inhalers.** Clarifies that use of asthma inhalers by students under specific statute must be consistent with the general statute governing the administration of drugs and medicine to students in terms of parental approval and written notice.
- 5 **Textbook; nonpublic pupil aid.** Includes in the definition of "textbook" an online book with an annual subscription cost (current law only grants authority for single year costs of online textbooks and does not include multi-year subscriptions).
- 6 **Software or other educational technology.** Includes online course registration fees for advanced placement courses taken online in the definition of "software or other educational technology."
- 7 **Definitions.** Maintains students awaiting foster care placement as eligible for transportation funding after the federal definition of homeless student removed students awaiting foster care placement.
- 8 **Average daily membership.** Allows e-learning days to be counted the same as days when schools are in session for purposes of calculating average daily membership. Includes an additional qualifying condition for extended time revenue.
- 9 **Basic revenue.** Increases the formula allowance to \$6,158 for fiscal year 2018 and \$6,249 for fiscal year 2019 and later. This is a 1.5 percent per year increase in the formula allowance.
- 10 **Extended time revenue.** Authorizes extended time revenue for students in a summer education program providing on-site services at care and treatment facilities located in the Willmar school district.
- 11 **Compensatory education revenue.** Includes the pilot compensatory grants in the compensatory revenue program. Requires each school site to set aside its growth relative to fiscal year 2017 in compensatory revenue for extended time activities.
- 12 **Operating capital levy.** Adjusts the operating capital levy to keep total levies unchanged from the February 2017 forecast.
- 13 **Pupil transportation adjustment.** Creates a new funding component for pupil transportation services. Sets the funding equal to 18.2 percent of the difference between each school district's to and from school transportation costs and the sum of its transportation sparsity revenue, charter school transportation adjustment, and 4.66 percent of its basic formula revenue.

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- 14 Referendum revenue.** Authorizes a district to send the required referendum notice by any class of mail (current law requires delivery by first class mail).
- 15 Payments to school nonoperating funds.** Changes the metering schedule for the payment of school district nonoperating aids (nonoperating state aid includes debt service equalization aid) from 12 monthly payments to six monthly payments beginning in July. This means that school districts will receive their debt service equalization aid sooner which better matches their generally scheduled twice-annual payments to bondholders.
- 16 Nevis school district; levy adjustment.** Authorizes the Nevis school district to spread a levy adjustment related to a pupil count error out over three years instead of requiring the adjustment to be made in a single year.
- 17 Appropriations.** See fiscal tracking sheets.
- 18 Repealer.** Repeals Minnesota Statutes, section 124D.73, subdivision 2, an outdated definition of “American Indian child.”

Article 2: Education Excellence**Overview**

This article, among other provisions, repeals the last-in first-out teacher layoff default, modifies academic standards, addresses reading strategies, establishes Erin’s Law in Minnesota, and appropriates money for education excellence programs.

- 1 Knowledge and skills.** Adds instruction in citizenship and economics to list of subject areas for compulsory instruction.
- 2 Required academic standards.** Corrects the reference to physical education standards to be adopted by the Department from National Association of Sport and Physical Education to Society of Health and Physical Educators.
- Allows a school district to include child sexual abuse prevention instruction in a health curriculum.
- 3 Rulemaking.** Strikes obsolete references.
- 4 State bilingual and multilingual seals.** Provides that seals recognize high school students in any school district, charter school, or nonpublic school with required proficiency.
- 5 Identification; report.** Requires a school district to identify students in grade 3 or higher who have difficulty reading and report on efforts to identify students with dyslexia using screening tools identified by MDE.
- 6 Parent notification.** Requires a school to annually notify the parents of a student reading below grade level of the student’s progress. Prohibits a district from using this section to deny a student’s right to a special education evaluation.

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- 7 **Intervention.** Strongly encourages a district or school to develop a personal learning plan for a student, other than a student with an individualized education program, unable to demonstrate grade-level proficiency on the third grade Minnesota Comprehensive Assessment (MCA) in reading. The plan is required to address knowledge gaps and skill deficiencies through various strategies and may include grade retention. Requires the intervention to continue after third grade until the student is reading at grade level.
- 8 **Dyslexia Specialist.** Directs the Commissioner to employ a dyslexia specialist. Requires the specialist to work to increase professional awareness and instructional competencies to meet the needs of students with dyslexia, including online professional development.
- 9 **Planning for students' successful transition to postsecondary education and employment; personal learning plans.** (a) Requires the personal learning plans of students in grade 9 to inform the student's parents of the student's achievement levels score on the high school MCAs.

(f) Requires students who do not meet or exceed Minnesota academic standards, as measured by the high school MCAs, to be informed that admission to public school is free and available to any resident under 21.
- 10 **Raised academic achievement; advanced placement and international baccalaureate programs.** Allows the commissioner to award AP/IB grants to school districts that plan to increase AP/IB science, technology, engineering, and math offerings to low-income and other disadvantaged students.
- 11 **In-service training.** Encourages districts to train district staff and school board members on responding to a disclosure of child sexual abuse and complying with mandatory reporting requirements.
- 12 **Grant awards.** Allows school districts and charter schools to accept funds from other sources for child sexual abuse prevention programs.
- 13 **Character development education.** Adds language providing that character development education is shared responsibility of parents, teachers, and community members to current law that encourages districts to offer character education instruction. Encourages districts to integrate character development instruction into positive behavioral intervention strategies.
- 14 **Child sexual abuse prevention education.**

 Subd. 1. Purpose. States that the purpose of this section is to encourage districts to offer instruction on child sexual abuse prevention to students and training to school personnel on preventing sexual abuse and sexual violence.

 Subd. 2. Curriculum. Allows school districts to consult with other agencies and community organizations to identify child sexual abuse prevention tools, curricula, and programs.

 Subd. 3. Other state programs. Identifies state activities aimed at preventing sexual violence against children.
- 15 **Statewide testing.** Modifies provisions on nationally normed college entrance exams. Modifies the definition of "cultural competence." Eliminates requirement that district administer ACT or SAT at student's high school during the school day.

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- 16 Rollout sites; report.** Directs the Commissioner to select up to six school districts or charter schools to rollout the disaggregated data reporting. Directs the Commissioner to consult stakeholders to develop recommendations for best practices for disaggregated data. Directs the Commissioner to consult the stakeholders on how to measure and report on a student's background as an immigrant or a refugee. Requires the Commissioner to report to the legislature.
- 17 Student performance data.** Modifies student categories for performance data reporting.
Effective date. Makes this section effective for the 2019-2020 school year and later.
- 18 State growth target, other state measures.** Modifies student categories for growth, college and career-readiness, and student engagement reporting. Requires data on four- and six-year graduation rates to be disaggregated by modified student categories. Requires notice to parents regarding data reporting.
Effective date. Makes this section effective for the 2018-2019 school year for rollout sites and 2019-2020 school year and later for all other schools.
- 19 School performance reports and public reporting.** Requires school districts to include in school performance reports school performance reporting information and calculate proficiency rates required by ESSA. Requires school districts to develop, update, and post school performance reports that comply with world's best workforce requirements.
- 20 Negotiated unrequested leave of absence.** Requires the school board and the exclusive representative of the teachers to negotiate an unrequested leave of absence plan. Strikes language establishing a statutory plan for placing teachers on an unrequested leave of absence and prohibiting a provisionally licensed teacher from exercising seniority under a negotiated leave of absence plan. Applies to school districts outside cities of the first class.
Effective date. Makes this section effective July 1, 2018.
- 21 Negotiated unrequested leave of absence.** Requires the school board and the exclusive representative of the teachers in a first class city school district to negotiate an unrequested leave of absence plan.
Effective date. Makes this section effective July 1, 2018.
- 22 Alternative teacher professional pay system.** Amends the alternative teacher professional pay system to allow for the following: (1) hiring bonuses or other added compensation to provide students with equitable access to teachers who have demonstrated skills for being highly effective at closing achievement gaps; work in a high-need position; or are hired to work in hard-to-staff schools; (2) incentives for teachers to obtain credits required for teaching concurrent enrollment or college in the schools courses; or (3) funding a grow your own new teacher initiative.
- 23 Basic alternative teacher compensation aid.** Divides paragraph (b) into two paragraphs.
- 24 Alternative teacher compensation revenue for St. Croix River Education District.** Permits St. Croix River Education District to receive alternative teacher compensation revenue (Q-comp). Requires district to report its staffing and expenditures each year.
- 25 Lotteries.** Modifies open enrollment lotteries by giving priority to a new group of students. Students who do not reside in the school district receive priority if they reside in a

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municipality where (1) the nonresident district operates a building, (2) the municipality is wholly or partially within the boundaries of at least five school districts; (3) the resident district does not operate a building, and (4) no other nonresident district operates a building.

- 26 Definitions.** Defines “concurrent enrollment.”
- 27 Authorization; notification.** Strikes provisions relating to 9th or 10th grade students enrolled in concurrent enrollment.
- 28 Authorization; notification.** Recodifies provisions relating to 9th or 10th grade students enrolled in concurrent enrollment in new subdivision.
- 29 Courses according to agreements.** Encourages schools, school districts and postsecondary institutions to develop and offer an “introduction to teaching” or “introduction to education” concurrent enrollment courses. Requires an institution that receives a grant to annually report on student participation rates to the Commissioner.
- 30 Access to school buildings and technology.** Requires a school to allow a student enrolled in a PSEO course to remain at the school site during the regular school day and requires the school to adopt a policy that provides reasonable access to computers and technology during the school day.
- 31 Credits; grade point average weighting dispute.** Requires a school board to adopt a policy regarding weighted grade point averages for students in dual enrollment courses.
- 32 Financial arrangement.** Increases number of days MDE has to pay postsecondary institutions for concurrent enrollment students from 30 to 45.
- 33 Innovative delivery of career and technical education programs; sharing of district resources.** Codifies innovative pilot projects provisions enacted in 2012 and 2014 session laws.
- 34 Eligible pupils.** Extends for one year a fiscal year 2017 provision allowing districts to receive funding for certain early middle college program participants who remain enrolled until the student turns 22 years old.
- 35 Approved recovery program funding.** Adds approved unreimbursed pupil transportation costs to the uses of the recovery program grant.
- 36 Certain federal, state, and local requirements.** Regulates placement of charter school students in classroom of a teacher who is on performance plan or has not had summative evaluation. Recodifies requirement that charter schools comply with Pupil Fair Dismissal Act.
- 37 Withdrawal.** Requires an authorizer to provide a letter to the school for distribution to families that explains the decision to withdraw as an authorizer.
- 38 Admissions requirements and enrollment.** Clarifies that charter school admission requirements apply to charter schools offering free preschool or prekindergarten program. Strikes the reference to the Pupil Fair dismissal Act (recodified in section 124E.03, subdivision 2).
- 39 Building lease aid.** Allows a charter school to include students participating in PSEO in their pupil count for generating lease aid.

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- 40 Requirement.** Modifies alternate instruction requirements for students unable to read at grade level by the end of kindergarten, grade 1, and grade 2.
- 41 Alternative teacher preparation grant program.**
- Subd. 1. Definitions.** Defines terms, including:
- “Alternative teacher preparation program” means an alternative teacher preparation program under section 122A.245, subdivision 2, or an experimental teacher preparation program under section 122A.09, subdivision 10.
- “Program” means a teacher preparation curriculum leading to specific licensure areas.
- “Shortage area” means both licensure fields and economic development regions experiencing a teacher shortage and economic development regions where there is a shortage of teachers of color.
- “Unit” means an institution or subdivision of an institution that oversees teacher preparation programs.
- Subd. 2. Establishment; eligibility.** Establishes a grant program for alternative teacher programs that fill teacher shortage areas.
- Subd. 3. Use of grants.** Allows grants to be used in specific ways.
- Subd. 4. Report.** Requires grant recipients to report on ability to fill shortage areas.
- 42 Teacher shortage loan forgiveness program definitions.** Adds economic development regions where there is a shortage of teachers of color to definition of “teacher shortage area.”
- 43 Teacher shortage loan forgiveness program administration.** Expands teacher shortage loan forgiveness program eligibility to include teachers of color.
- 44 Teacher shortage loan forgiveness program reporting.** Expands reporting requirement to include information on the race or ethnicity of teachers participating in the program.
- 45 Statewide concurrent enrollment teacher training program.** Expands Northwest Regional Partnership Program to other voluntary associations and teachers throughout Minnesota.
- Subd. 1. Definitions.** Defines terms used in program, including:
- “State Partnership” means a voluntary association of the Northwest Regional Partnership and the Metropolitan Educational Cooperative Service Unit.
- Subd. 2. Establishment.** Allows the State Partnership to contract with a postsecondary institution to establish a continuing education credit program to allow teachers that teach concurrent enrollment classes to earn graduate credits.
- Subd. 3. Curriculum development.** Requires the program to use flexible delivery models and post information about the curriculum.
- Subd. 4. Funding for course development; scholarships; stipends.** Requires State Partnership to provide funding for course development for up to 18 credits in subject areas, provide scholarships to teachers to enroll in the courses, and develop criteria to award educator stipends to incentivize participating in the program.

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Subd. 6. Private funding. Provides that partnerships may receive private resources to supplement public money. Money received in fiscal year 2018 will be administered by the State Partnership.

Subd. 7. Report required. Requires the Northwest Regional Partnership and State Partnership to report yearly.

46 Education Innovation Partners Cooperative Center. Extends the time that the Education Innovation Partners Cooperative Center can spend up to \$410,000 of its remaining state grant during fiscal years 2018 and 2019.

47 Student teachers in shortage areas. Authorizes the Office of Higher Education to spend up to two percent of the program's fiscal year 2017 \$2.8 million appropriation on administrative costs.

48 Agricultural educator grants. Establishes a grant program to pay agricultural education teachers for work over the summer with high school students in extended programs.

49 Innovation research zones pilot program.

Subd. 1. Establishment; requirements for participation; research zone plans.

(a) Establishes the innovation research zone pilot program to improve student and school outcomes consistent with The World's Best Workforce requirements.

(b) Allows one or more school districts or charter schools to form an innovation zone partnership. Nonschool partners may participate, too. The school's instructional staff must be involved in the development of the plan.

(c) Requires innovation zone partners to research and implement innovation education programs and models. Examples of innovation zone research includes, but is not limited to:

1. personalized learning;
2. the use of competency outcomes;
3. multidisciplinary, real-world, inquiry-based, student-directed models designed to make learning more engaging and relevant;
4. models of instruction designed to close the achievement gap;
5. new partnerships between secondary schools and postsecondary institutions, employers or career training institutions;
6. new methods of collaborative leadership;
7. new ways to enhance parental and community involvement in learning;
8. new models of professional development for educators; or
9. new models in other areas.

(d) Requires the innovation zone plan to describe:

1. how the plan will improve student and school outcomes;
2. the role of each partner;

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3. the research methodology used for each proposed action in the plan;
4. the exemptions from state statute and rules that the partnership will use;
5. how teachers and other staff will be included in the planning and implementation process;
6. expected outcomes and graduation standards;
7. a timeline for implementing the plan; and
8. how results of the plan will be disseminated.

(e) Requires the approval of the initial partners and the Commissioner of Education to extend membership to other partners.

(f) Allows a school district or charter school participating in a partnership to continue to receive all revenue and maintain its taxation authority in the same manner as before the partnership existed. The partnership participants remain organized and governed by their respective boards with general powers under chapter 123B or 124E and remain subject to their employment agreements.

(g) Requires the partnership to submit the plan to the commissioner.

Subd. 2. Exemptions from laws and rules. (a) Allows an innovation zone partner to be exempt from the following education laws and rules specifically identified in their plan:

1. any law or rule from which a district-created, site-governed school is exempt;
2. any statute or rule from which the commissioner has exempted another district or school;
3. online learning program approval if the district or school offers a course or program online combined with direct access to a teacher for a portion of that course or program;
4. certain restrictions on extended time revenue; and
5. any required hours of instructions in any class or subject areas for a student who is meeting all competencies consistent with the graduation standards described in the plan.

(b) An innovation zone partner is not exempt from the MCAs.

Subd. 3. Innovation Research Zone Advisory Panel. (a) Requires the commissioner to establish and convene a nine-member Innovation Research Zone Advisory Panel.

(b) Requires the panel to be composed of one member appointed by each of the following organizations: Educators for Excellence, Education Minnesota, Minnesota Association of Secondary School Principals, Minnesota Elementary School Principals' Association, Minnesota Association of School Administrators, Minnesota School Boards Association, Minnesota Association of Charter Schools, and the Office of Higher Education. Requires the commissioner to appoint one member, with expertise in evaluation and research.

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Subd. 4. Commissioner approval. Allows the commissioner to approve up to three plans in the seven-county metropolitan area and up to three in greater Minnesota. Requires the commissioner to alert an innovation zone partnership that fails to implement its plan as described in the application and provide them with an opportunity to remediate. If the implementation continues to fail, the commissioner must suspend or terminate the innovation zone plan. Requires the commissioner to publish a list of exemptions granted to school districts or charter schools.

Subd. 5. Project evaluation, dissemination, and report to legislature. Requires each partnership to submit project data to the commissioner. Requires the commissioner, once every two years, to analyze each innovation zone's progress in realizing the objectives of the partnership's plan. Requires the commissioner to summarize and categorize innovation zone plans and submit a report to the legislature.

50 Commissioner to submit ESSA plan to state legislature. Requires the commissioner of education to submit the department's ESSA plan to the legislature. Adopts requirements that state plan must meet.

51 Educational stability for students in foster care.

Subd. 1. Establishment. Establishes the pilot project to provide incentives to school districts and county governments to form partnerships that help to keep foster care students enrolled in their school of origin.

Subd. 2. Qualifying plans. Requires a school district to apply to participate in the pilot project. To participate in the project, a school district and the local child welfare agency must have a written interagency agreement describing the plan for ensuring educational stability for foster care students.

Subd. 3. Pilot project; funding. Directs the commissioner to reimburse partnerships with a qualifying plan at the end of the school year and to prorate the funds if the appropriation is insufficient to fully fund all qualifying funds.

Subd. 4. Report. Directs the commissioner to report to the legislature on the number of local agreements interesting into for this project, the number of school districts and counties participating in the agreements, baseline data showing the number of foster care students who were able to remain in their school of origin, data on expenditures for school stability transportation and federal reimbursements received for the pilot project, and projected costs for statewide implementation of the program.

52 Federal Every Student Succeeds Act funding for science, technology, engineering, and math (STEM) activities. Encourages school districts to use certain federal funding for:

1. mentor-led, hands-on STEM education and engagements;
2. student participation in STEM competitions; and
3. mentor-led, classroom-based, after-school activities with informal STEM instruction and education.

53 Rural career and technical education consortium grants.

Subd. 1. Definition. Defines "rural career and technical education (CTE) consortium" as a voluntary collaboration of a service cooperative and other regional

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public and private partners that work together to provide career and technical education opportunities within the service cooperative's multicounty service area.

Subd. 2. Establishment. (a) Requires a rural CTE consortium to:

1. focus on development of courses and programs that encourage collaboration;
2. develop new CTE programs that focus on the industry sectors that fuel the regional economy;
3. facilitate the development of highly trained and knowledgeable students equipped with technical and workplace skills;
4. improve access to CTE programs for students who attend sparsely populated rural school districts;
5. increase family and student awareness of the availability and benefit of CTE courses; and
6. provide capital start-up costs.

(b) A rural CTE consortium may address the teacher shortage through incentive funding and training programs; and transportation reimbursement grants.

Subd. 3. Rural career and technical education advisory committee. Requires a service cooperative to establish a rural career and technical education advisory committee to advise the cooperative on the administration of the rural CTE consortium.

Subd. 4. Private funding. Allows a rural CTE consortium to receive other sources of funds to supplement state funding.

Subd. 5. Reporting requirements. Requires a rural CTE consortium to submit an annual report on the progress of its activities to the Commissioner and the legislature.

Subd. 6. Grant recipients. Identifies the grant recipients for fiscal years 2018, 2019, 2020, and 2021.

- 54 Appropriations; mental health grants.** Appropriates \$2,450,000 for fiscal year 2018 and fiscal year 2019 only from the general fund to the commissioner of human services for grants to intermediate school districts and the Southwest West Central Service Cooperative for school-based mental health grants.
- 55 Appropriations.** See fiscal tracking sheets.
- 56 Repealer.** Repeals Minnesota Statutes, sections 122A.40, subdivision 11, and 122A.41, subdivision 14, July 1, 2018.

Section**Article 3: Teachers****Overview**

NOTE: Teacher licensing language was moved to the conference committee on House File 140.

- 1 **Positive behavior interventions and supports.** Defines “positive behavioral interventions and supports” (PBIS) as an evidence-based framework for preventing problem behavior. Lists key components of PBIS. Allows schools to use character education to support implementation of PBIS.

Article 4: Special Education**Overview**

This article links PBIS statutes, authorizes medical assistance payment for certain required covered student evaluations, and modifies special education appropriations.

- 1 **Definitions; positive behavioral interventions and supports.** Amends the existing statutory definition of “positive behavioral interventions and supports” in the special education statutes, to include a cross reference to the components of the newly proposed definition of “positive behavioral interventions and supports”.
- 2 **Nonresident tuition rates; other costs.** Restores the statutory authority for the commissioner of education to approve adding certain general education costs to the nonresident tuition bill amounts sent to the resident districts.
- 3 **Third-party reimbursement.** Requires a school district to provide notice to the parent of a child enrolled in medical assistance (MA) or MinnesotaCare of its intent to seek reimbursement from the public health coverage plan for evaluations required as part of the individualized education program (IEP) or family service plan (FSP) process, and for health-related services provided by the district in accordance with the IEP or FSP.
- 4 **Placement of students; approval of on-site education programs.** Clarifies that MDE is responsible for the approval of “on-site” education programs for facilities licensed by the Department of Human Services and the Department of Corrections. Changes the terminology in this section for the facility from a “care and treatment” facility to a “children’s residential facility.”
- 5 **Eligibility.** Clarifies that a district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered evaluations and special education services provided to persons eligible for medical assistance.
- 6 **Special education aid.** Directs the Department of Education to establish procedures to adjust the prior year data and fiscal year 2016 old formula aid used in calculating special education

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aid to exclude costs that have been eliminated for districts where programs have closed or where a substantial portion of the program has been transferred to a cooperative unit.

- 7 **Special education services.** Provides that medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program (IEP) and individualized family service plan (IFSP) services and for medical services identified in a recipient's IEP and IFSP and covered under the medical assistance state plan.
- 8 **Southwest Minnesota State University special education teacher program.** Broadens the eligible program participants beyond special education paraprofessionals to include persons who are teaching special education either under a variance or as a community expert.
- 9 **Special education assistive technology study.** Requires the commissioner to examine use of assistive technology in school districts and report to the legislature by February 15, 2018.
- 10 **Appropriations.** See fiscal tracking sheets.
- 11 **Repealer.** Repeals Minnesota Statutes, sections 125A.75, subdivision 7 and 125A.76, subdivision 2b, obsolete special education aid formulas.

Article 5: Facilities Technology**Overview**

This article closes the Perpich Center Arts High School and directs the disposition of the Crosswinds school.

- 1 **Unclassified positions.** Strikes the Perpich Center from statute relating to state employees in the unclassified service.
Effective date. Makes this section effective June 30, 2018.
- 2 **Additional unclassified positions.** Strikes the Perpich Center from statute relating to state employees in the unclassified service.
Effective date. Makes this section effective June 30, 2018.
- 3 **Lead in school drinking water.**
Subd. 1. Model plan. Requires the commissioners of health and education to develop a model plan to require school districts to test for lead in school drinking water.
Subd. 2. School plans. Requires school districts and charter schools to either adopt the model plan or an alternative plan to test school water for lead.
Subd. 3. Frequency of testing. Requires testing schedule. Requires testing at least every five years. A school district must begin testing by July 1, 2018, and complete testing within five years.
Subd. 4. Ten-year facilities plan. Allows school districts to include lead testing and remediation in plan used to qualify for long-term facilities maintenance revenue.

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Subd. 5. Reporting. Requires school districts and charter schools to make lead test results available to the public and to notify parents that this information is available.

- 4 **Alternative teacher compensation revenue.** Strikes the Perpich Center from statute relating to alternative teacher compensation.
Effective date. Makes this section effective June 30, 2018.
- 5 **Severance pay.** Strikes the Perpich Center from statutes relating to board agreements on instruction of secondary pupils in other districts.
Effective date. Makes this section effective June 30, 2018.
- 6 **Dissolution; referendum revenue.** Cancels only a dissolving school district's operating referendum authority and not the referendum authority of neighboring school districts in cases of a voluntary or involuntary dissolution.
Effective date. Makes this section effective retroactively to January 1, 2017.
- 7 **Long-term facilities maintenance revenue.** Strikes voluntary prekindergarten program from statutes relating to long-term facilities maintenance revenue. Provides that a district that qualified for alternative facilities revenue in 2010 remains eligible for fiscal year 2017 and later.
- 8 **Facilities plan.** Requires a school district or intermediate school to include remediation of lead hazards in facilities plan.
- 9 **Review of proposals.** Directs the commissioner to include comments from district residents in the review and comment on capital project proposals.
- 10 **Publication.** Requires a school board to hold a public meeting to review the commissioner's review and comment on a proposal before the bond election.
- 11 **Severance pay.** Strikes the Perpich Center from statute relating to agreement on students attending school in another state.
Effective date. Makes this section effective June 30, 2018.
- 12 **Lola and Rudy Perpich Arts Education Division.**
Subd. 1. Establishment of arts education division. Establishes division within MDE to provide arts support services throughout Minnesota.
Subd. 2. Division responsibilities. Requires division to offer resources and outreach services statewide to enhance arts education for elementary and secondary school students.
- 13 **Sales to government.** Strikes the Perpich Center from statute relating to sales to government agencies.
Effective date. Makes this section effective June 30, 2018.
- 14 **Early repayment aid incentive.** Amends Laws 2016 to appropriate money for fiscal year 2017 for an early repayment aid incentive for the Kelliher school district.

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- 15 Disposition of Crosswinds school; proceeds of sale.** Directs the commissioner of administration to offer the Crosswinds school for sale, consistent with existing law on the commissioner's authority to manage surplus state property.
- 16 Transition requirements; Crosswinds school.** Clarifies the calculation of certain aids for a district that may operate a school at the Crosswinds site during the 2017-2018 school year.
- 17 Perpich Center for Arts Education closure.**
- Subd. 1. Perpich Center for Arts Education abolished.** Abolishes the Perpich Center effective June 30, 2018.
- Subd. 2. Library.** Transfers property in the Perpich Arts Library to MDE.
- Subd. 3. Student enrollment.** Allows students at Perpich Arts High School currently enrolled to continue to enroll for the 2017-2018 school year and prohibits enrollment after the 2017-2018 school year.
- Subd. 4. Education records.** Requires the Perpich Center to transfer student records according to Minnesota Statutes, section 120A.22, subdivision 7.
- 18 Appropriations.** See fiscal tracking sheets.
- 19 Repealer.** (a) Repeals retroactively to January 1, 2017, the statutory section canceling each neighboring school district's referendum authority when a school district voluntarily dissolves (Minn. Stat. § 123A.73, subd. 3).
- (b) Repeals the authority for the Perpich Center to operate the Crosswinds school effective July 1, 2017 (Minn. Stat. §§ 129C.10, subd. 5a, and 129C.30).
- (c) Repeals statutes and rules related to the Perpich Center for Arts Education (Minn. Stat. §§ 129C.10, subs. 1, 2, 3, 3a, 4a, 6, 7, 8; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; and Minn. Rules parts 3600.0010, 3600.0020, 3600.0030, 3600.0045, 3600.0055, 3600.0065, 3600.0075, and 3600.0085). This paragraph is effective June 30, 2018.

Article 6: Nutrition**Overview**

This article extends the number of renewal periods for contracted food service providers and separates school nutrition formulas from the voluntary prekindergarten program.

- 1 Exception to contract limits.** Provides exception to rule that school district contracts must not exceed two years with an option on the part of the district to renew for an additional two years. Exception applies to contracts under section 2.
- 2 Food service contracts.** Requires that a contract between a school board and a food service management company comply with federal regulation in order to be renewed after initial term for up to four additional years.

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Code of Federal Regulations, title 7, section 210.16, sets requirements for districts that participate in the National School Lunch Program and Commodity Schools Programs, and contract with food service management companies. The regulation provides the following:

- Prohibits districts from contracting with a food service management company to operate an a la carte food service unless the company agrees to offer free, reduced price and paid reimbursable lunches to all eligible children.
- Regulates district operation of the food service, including requiring adherence to procurement standards, monitoring the food service, and establishing an advisory board to assist in menu planning.
- Regulates the districts' invitations to bid.
- Prohibits certain types of contracts, and requires certain provisions in the contracts.
- Limits duration of contracts to one year, and options for renewal to no more than four additional years. Requires contracts to include a clause allowing termination by either party with 60-days' notice.

- 3 Program reimbursement.** Strikes voluntary prekindergarten program from statute on breakfast reimbursement.
- 4 No fees.** Strikes voluntary prekindergarten program from statute on breakfast and lunch fees.
- 5 Appropriations.** See fiscal tracking sheets.

Article 7: Libraries

Overview

This article clarifies that MDE may give advice to school libraries and appropriates money for cooperative library programs.

- 1 Advice and instruction.** Authorizes the Division of Library Services of MDE to, upon request, give advice and instruction to school district and charter school libraries.
- 2 Appropriations.** See fiscal tracking sheets.

Section**Article 8: Early Childhood and Family Support****Overview**

This article eliminates the voluntary prekindergarten program and carries the funding forward for each participating charter school and school district and increases funding for pathway I early learning scholarships.

- 1** **Program reimbursement.** Strikes voluntary prekindergarten program from statute on breakfast reimbursement.
See article 6.
- 2** **No fees.** Strikes voluntary prekindergarten program from statute on breakfast and lunch fees.
See article 6.
- 3** **Establishment; purpose.** Modifies purpose of early learning scholarships.
- 4** **Family eligibility.** Clarifies eligibility requirements for early learning scholarships.
- 5** **Administration.** Limits the number of pathway II scholarships to no more than the number granted in fiscal year 2017. Directs the commissioner to give highest priority for scholarships to children who: have a parent under 21 who is pursuing a diploma or GED, are in foster care or in need of protection or services, or have experienced homelessness in last two years. Strikes obsolete language.
- 6** **Early childhood program eligibility.** Postpones by six years the date by which a program must have a three- or four-star rating to accept an early learning scholarship.
- 7** **English learner.** Strikes voluntary prekindergarten program from statute relating to English learners.
- 8** **Pupil unit.** Strikes voluntary prekindergarten program from statute on pupil units.
- 9** **School readiness VPK adjustment.** Increases each district's school readiness aid by the amount equal to its total voluntary prekindergarten revenue for fiscal year 2017.
- 10** **Appropriations; MDE.** See fiscal tracking sheets.
- 11** **Repealer.** Repeals Minnesota Statutes, section 124D.151, voluntary prekindergarten program.

Section**Article 9: Community Education and Prevention****Overview**

This article establishes the education partnerships program and appropriates money for community education programs.

- 1 **Education partnerships coalition fund.** Establishes a program to support coordinated education partnerships to form a network of support services in neighborhoods experiencing poverty.
 - Subd. 1. Program establishment.** Establishes education partnerships program.
 - Subd. 2. Definitions.** Defines two tiers of grants:
 - (a) Tier 1 grants are sustaining grants to maintain the operations of existing program locations.
 - (b) Tier 2 grants are implementation grants to expand existing program locations.
 - Subd. 3. Administration; design.** Requires commissioner of education to establish program requirements and a process for making grants.
 - Subd. 4. Requirements.** Provides a program to provide supportive services within specific community and geographic areas, and evaluate outcomes.
 - Subd. 5. Grants.** Requires the commissioner to award grants to qualifying recipients that have nonstate funds, including in-kind contributions.
 - Subd. 6. Legislative report.** Requires the commissioner to submit a legislative report on recipients and their activities.
- 2 **Appropriations.** See fiscal tracking sheets.

Article 10: Self-Sufficiency and Lifelong Learning**Overview**

This article appropriates money for adult basic education and GED-style programs and authorizes the commissioner to replace the GED test with another high school equivalency measure.

- 1 **Performance tracking system.** Aligns timelines and measures included in Minnesota adult basic education performance measures statute with changes in federal requirements.
- 2 **Commissioner-selected high school equivalency test.** Allows commissioner of education to select high-school equivalency test, and replaces the GED test with commissioner-selected equivalency test in provision allowing commissioner to adopt rules.

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- 3 Commissioner-selected high school equivalency test fees.** Replaces GED test with commissioner-selected equivalency test in provision relating to test fees.
- 4 Full-time student.** Replaces GED test with commissioner-selected equivalency test in provision relating to definition of “full-time student” in chapter on Minnesota Family Investment Program.
- 5 Commissioner-selected high school equivalency.** Replaces GED test with commissioner-selected equivalency test in definition in chapter on Minnesota Family Investment Program.
- 6 Appropriations.** See fiscal tracking sheets.
- 7 Revisor’s instruction.** Instructs revisor to substitute “commissioner-selected high school equivalency” or similar term for “general education development,” “GED” or similar terms.
- 8 Repealer.** Repeals Minnesota Rules, part 3500.3100, subpart 14, on GED tests.

Article 11: State Agencies**Overview**

This article requires all teacher license fees to be paid into a special revenue fund beginning July 1, 2019, and appropriates funding for education-related state agencies.

- 1 Fee.** Requires administrator license fees to be deposited in the special revenue fund.
- 2 Special revenue fund accounts; educator licensing and background checks.**
- Subd. 1. Educator licensure account.** Establishes an educator licensure account in the special revenue fund.
- Subd. 2. Background check account.** Establishes an educator licensure background check account in the special revenue fund.
- 3 Temporary military license.** Requires the Board of Teaching to deposit application fees in the special revenue fund.
- 4 Background check.** Requires background check payments to be deposited in the special revenue fund.
- 5 Licensure applications.** Requires application fees for issuance, revenue, or extension to be deposited in the special revenue fund.
- 6 Licensure via portfolio.** Requires portfolio fees to be deposited in the special revenue fund.
- 7 Annual appropriations.** Requires that money deposited in the educator licensure account be appropriated annually to the Board of Teaching.
- 8 Transfers.** Requires the commissioner of management and budget to transfer money into the educator licensure account in the special revenue fund.
- 9 Appropriations; MDE.** See fiscal tracking sheets.

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- 10** **Appropriations; Board of Teaching.** See fiscal tracking sheets.
- 11** **Appropriations; MN State Academies.** See fiscal tracking sheets.
- 12** **Appropriations; Perpich Center.** See fiscal tracking sheets.

Article 12: Forecast Adjustment

Overview

This article adjusts fiscal year 2017 appropriations to match the February 2017 forecast estimates. See fiscal tracking sheets.