

# HOUSE RESEARCH

## Bill Summary

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### Overview

This bill provides funding for K-12 education in Minnesota.

#### Article 1: General Education

**1 Calculation of income.** Clarifies the investment income earned for the purposes of the permanent school fund.

**2 Reporting.**

**Subd. 1. Reports to the superintendent.** Requires the person in charge of providing instruction to a child to provide information to the resident superintendent on the student in the first school year in which the child receives instruction after the age of seven, within 15 days of when a parent withdraws a child from public school, within 15 days of moving out of a district, and after a new resident district is established. Requires the person in charge of providing instruction to a child to annually submit a letter of intent to continue to provide instruction. Allows the superintendent to collect the required information in an electronic format.

**Subd. 2. Availability of documentation.** Directs the person in charge of providing instruction to maintain documents, instead of making documents available, indicating that a home school student is receiving required instruction and has been assessed. Directs the parent of a home school student who enrolls in public school to provide the enrolling school or district with standardized test scores and other documents the school requires to determine placement and course requirements. Requires the person in charge of providing instruction to a child to make documentation available to a county attorney in certain circumstances.

**Subd. 3. Exemptions.** Aligns the exemptions of accredited nonpublic schools from the requirement to maintain documents with the changes made in subdivisions 1 and 2.

**Subd. 4. Reports to the state.** Requires the superintendent to report to the commissioner on the total number of nonpublic children in the district.

**Subd. 5. Obligations.** Maintains the obligations of the compulsory attendance statute.

- 3 Length of school year.** Establishes a minimum number of hours for student instruction. Sets the hours at 425 hours per year for kindergarten pupils, 935 hours for pupils in grades 1 to 6 and 1,020 hours per year for pupils in grades 7 to 12. Clarifies that this section does not supersede the commissioner's approval authority of a four-day school week under section 124D.126.
- 4 Early graduation.** Redirects early graduation savings from a school district to the early graduation achievement scholarship program for participating students (current law allows a school district to continue to count a student who graduates early in its enrollment for the full school year).
- 5 Early graduation achievement scholarship program.** Creates the early graduation achievement scholarship program. Qualifies a student who graduates early for a scholarship of up to \$7,500. Allows the student to use the scholarship at any accredited higher education institution. Creates a process for the Commissioner of Education to verify the student's enrollment in a higher education institution.
- 6 Early graduation military service award program.** Creates the early graduation military service award program. Qualifies a student who graduates early and enters the military to receive a cash award not to exceed the scholarship amounts listed in section 6.
- 7 Report.** Removes home school parents' annual reporting requirement to the superintendent in favor of reporting in the first year of home schooling in Minnesota and the seventh grade year.
- 8 Classes, number.** Requires the commissioner of education to include charter schools as a type of school district for purposes of defining school districts.
- Makes this section effective March 1, 2012, and later.
- 9 Textbook.** Amends the definition under the nonpublic pupil aid statute to include electronic books in the definition of textbooks.
- 10 Individualized instructional or cooperative learning materials.** Amends the definition under the nonpublic pupil aid statute to include electronic books in the definition of individualized instructional or cooperative materials.
- Makes this section effective June 30, 2014.
- 11 Capital project levy referendum.** Conforms the reporting requirement to the review and comment project threshold requirements under section 123B.71.
- 12 Levy Recognition.** Corrects the cross-reference for the career and technical levy.
- 13 Pupil of limited English proficiency.** Allows a nonproficient participant on an assessment measuring emerging academic English to generate limited English proficiency aid.
- 14 Definitions.** Clarifies the definition of general revenue for charter schools and strikes an obsolete reference to referendum revenue for the purposes of calculating special education excess cost aid.
- 15 General education revenue.** Includes small schools revenue in the definition of general education revenue.
- 16 Basic revenue.** Increases the basic formula allowance from \$5,124 to \$5,174 in fiscal year 2012, to \$5,224 for fiscal year 2013.
- 17 Small schools revenue.** Makes districts with adjusted marginal cost pupil units of 1000 or less

eligible for small schools revenue.

- 18 Sparsity revenue for school districts that close facilities.** Expands the sparsity revenue grandfather so that it covers sparsity revenue decreases caused by neighboring school districts' decisions to close or relocate school facilities and removes the requirement that school districts file a resolution to close a school and receive an adjustment to their sparsity revenue 60 days prior to the start of the fiscal year.
- Makes this section effective for board resolutions approved in fiscal year 2011 and later for sparsity revenue calculations in fiscal year 2012 and later.
- 19 Uses of total operating capital.** Expands the uses of operating capital revenue to include the costs associated with leasing vehicles, and the costs directly associated with closing a school facility, including moving and storage costs.
- 20 Reallocating general education revenue for all-day kindergarten and prekindergarten.** Conforms the current reallocation of early graduation savings to the early graduation achievement scholarship program.
- 21 Building allocation.** Requires cooperatives to allocate compensatory revenue to the school site generating the revenue in the same way that school districts allocate compensatory revenue to a school site.
- 22 Annual general education aid appropriation.** Includes the early graduation achievement scholarship and military service award payments in the general education aid open and standing appropriation.
- 23 Retired employee health benefits.** Limits the postemployment benefits expenses to those actually paid during the previous fiscal year and authorizes the commissioner to adjust each district's levy authority so long as the total levy authority does not exceed the maximum levy authority for that year.
- 24 Safe schools levy.** Strikes the maintenance of effort provision that requires districts to set aside a portion of the safe school levy proceeds to pay for school counselors and other school professionals and to maintain amounts expended on employer services or equivalent numbers of full-time employees.
- 25 Tax and aid anticipation borrowing; definitions.** Clarifies school districts as common, independent, and special for the purposes of tax and aid anticipation borrowing.
- 26 School endowment fund; apportionment.** Changes the distribution of permanent school fund revenue from the resident pupils in each school district to the pupils served by each school district effective for revenue for fiscal years 2012 and later.
- Makes this section effective March 1, 2012, and later.
- 27 Cash flow adjustments.** Requires the commissioner to accelerate only the regular special education payments, up to 90 percent of its estimated aid entitlement, to a charter school in which at least 90 percent of the enrollment receives special education services. Makes technical adjustments.
- 28 Person less than 18 years of age.** Allows a home school student's parent to certify the homeschool and home-classroom driver training status instead of the superintendent.
- 29 Offenses.** Directs the Department of Public Safety to revoke a driver's license for falsifying the certification required to issue an instruction permit to a home school student.
- 30 Violations.** Makes it a violation to falsify the certification required to issue an instruction permit to

a home school student.

- 31 Alternative compensation forecast revenue recapture.** Reduces by \$10 million the revenue for basic alternative compensation for fiscal year 2012 only. Clarifies that this section does not limit the November 2011 forecast of alternative compensation revenue.
- 32 Kittson Central School closing.** Makes Independent School District 356, Lancaster, eligible for sparsity revenue if the board has adopted a written resolution to notify the commissioner and request aid.
- 33 Northland Community School closing.** Makes Independent School District 118, Northland Community Schools, eligible for the same sparsity revenue the district would have receive in fiscal year 2011, and requires the district to recognize the certain sparsity aid for fiscal year 2012 in fiscal year 2011.
- 34 School district levy adjustments.** Adjusts school district equalizing factors and statutory tax rates to adjust for any changes in tax capacity resulting from the 2011 omnibus tax bill.
- 35 Reserved revenue for staff development; temporary suspension.** Suspends the requirement that a school district or charter school reserve two percent of its revenue for staff development for fiscal years 2012 and 2013 only.
- 36 Appropriations.** See fiscal tracking sheets.
- 37 Repealer.** Repeals sections 120A.26, subdivision 1 (on-site visits), 120A.26, subdivision 2 (alternative to visits), 126C.10, subdivision 5 (training and experience revenue), and 126C.457 (obsolete career and technical levy).

## Article 2: Education Excellence

- 1 School boards; interactive technology with an audio and visual link.** Allows a school board to conduct meetings using interactive technology with an audio and visual link if the board complies with other requirements governing meetings of local units of government.
- 2 Revisions and reviews required.** Allows public high school students who graduate in the 2014-2015 school year or later to satisfactorily complete a career and technical credit as an alternative to completing a chemistry or physics credit required for graduation.
- Makes this section effective immediately.
- 3 Reading proficiently no later than the end of grade 3.**
- Subd. 1. Literacy goal.** Restates the goal so that the legislature seeks to have every child reading at or above grade level no later than the end of grade 3. Links the definition of comprehensive scientifically based reading instruction to the goal.
- Subd. 2. Identification; report.** Adds identification requirements for students who are not reading at grade level. Requires reading assessments identify and evaluate students' areas of academic need related to literacy.
- Subd. 2a. Parent notification and involvement.** Requires schools at least annually to give the parent of each student who is not reading at or above grade level timely information about the student's reading proficiency, services being provided to the student, and strategies for parents to help their student succeed in reading.
- Subd. 3. Intervention.** Requires the district to provide reading intervention to accelerate

student growth.

**Subd. 4. Staff development.** Clarifies that elementary teachers be able to implement the five reading areas of comprehensive, scientifically based reading instruction and requires that licensed teachers recognize students' diverse needs in cross-cultural settings and are able to serve the oral language and linguistic needs of students who are English language learners.

**Subd. 4a. Local literacy plan.** Requires a school district to adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3. States what the plan must include and requires that the plan be posted on the district website.

**Subd. 5. Commissioner.** Clarifies that the commissioner make available examples of methods or programs that provide comprehensive, scientifically based reading instruction and intervention methods.

- 4 **Statewide testing.** Revises the score notation on transcripts to "Pass"/"Not Pass" in order to not identify a student with a disability.
- 5 **Reporting.** Provides cross-references to the Family Educational Rights and Privacy Act (FERPA, Title 34, Section 99.3) and the Government Data Practices Act (Minn. Stat. § 13.34) to clarify that secure test items and personally identifiable test reports are nonpublic data. Directs the commissioner to disseminate testing information to charter school authorizers for purposes of fulfilling their oversight obligations.
- 6 **Access to tests.** Makes the commissioner's duty to allow the public and parents to review statewide assessments subject to data practices law governing access to examination data. Directs the commissioner to provide the public and parents access to the assessments to the extent such access does not compromise the assessment or the assessment process.
- 7 **Student performance data.** Removes a requirement for the commissioner to include certain demographic factors in the analysis of student performance data. This data is not collected by the department.
- 8 **School performance report cards.** Allows the commissioner an additional 30 days to release school performance report card data and AYP data in years during which new performance standards are being developed. Simplifies the timeline for the release of the data by stipulating that the data is nonpublic data until it is released by the commissioner.
- 9 **Adequate yearly progress and other data.** Allows the commissioner 30 additional days to release student growth and adequate yearly progress data in years when new performance standards are developed when specifically authorized by the legislature. Classifies the data as non-public until it is released by the commissioner.
- 10 **License and rules.** (g) Directs the board of teaching to grant initial teaching licenses based on professional competencies aligned with the board's licensing system and students' learning needs. Directs the board to include the licenses in its differentiated licensing system.
- 11 **Highly qualified teacher defined.** Removes outdated language on the Housse process and updates current language.  
Makes this section effective for the 2011-2012 school year and later.
- 12 **Probationary period.** (a) Requires a school board to adopt a plan for at least three written periodic evaluations of probationary teachers throughout a school year. Requires the first evaluation to occur within the first 90 days of teaching service.  
(d) Requires a probationary teacher to complete 120 days of teaching service each year during the probationary period.  
Makes this section effective the day following final enactment and applicable to all collective bargaining agreements ratified after September 1, 2013.

- 13**      **Mentoring for probationary teachers.** Requires a school board and the exclusive representative of the teachers to develop a probationary teacher peer review process that is consistent with the annual teacher evaluation process.
- Makes this section effective for the 2014-2015 school year and later.
- 14**      **Development, evaluation, and peer coaching for continuing contract teachers. (a)** Allows a school board and the exclusive representative of the teachers to develop through joint agreement a teacher evaluation and peer review process, premised on the content of this section, for probationary and continuing contract teachers. If no agreement is reached, then the school board and the exclusive representative of the teachers must implement the plan the commissioner develops under this section.
- (b) Establishes an annual teacher evaluation process that: provides probationary teacher evaluations; establishes a three-year professional review cycle and includes at least one summative evaluation performed by a trained evaluator; is based on professional teaching standards; is coordinated with staff development activities; allows time for peer coaching and teacher evaluation; allows mentoring and induction programs; allows teachers to develop and present a portfolio; requires agreed upon teacher value-added assessment models and state and local measures of student growth, the data from which provide the basis for 35 percent of teacher evaluation results; uses longitudinal data on student engagement and connection and other student outcome measures; requires qualified and trained evaluators to perform summative assessments; gives support to improve the performance of teachers not meeting professional teaching standards; and establishes discipline for a poorly performing teacher who fails to improve. Defines individual teacher data as personnel data.
- (c) Directs the department, in consultation with teachers and administrators and other education stakeholders to create and publish a teacher evaluation process that complies with the requirements of this section and applies to all teachers without an annual teacher evaluation agreement under paragraph (a).
- Makes this section effective for the 2014-2015 school year and later.
- 15**      **Grounds for termination.** Makes inefficiency in teaching or in managing a school aground for terminating a teacher's employment.
- Makes this section effective for collective bargaining agreements ratified after September 1, 2014.
- 16**      **Words, terms, and phrases.** Amends the definition of "demote" to mean to reduce the compensation a person actually receives in the new position. Strikes language that defines "demote" to mean to reduce in rank or to transfer to a lower branch of the service or a position carrying a lower salary. Makes this section immediately effective.
- 17**      **Probationary period; discharge or demotion.** For teachers in first class city school districts, requires a school board to adopt a plan for at least three written periodic evaluations of probationary teachers throughout a school year. Requires the first evaluation to occur within the first 90 days of teaching service.
- (c) Requires a probationary teacher to complete 120 days of teaching service each year during the probationary period.
- Makes this section applicable to collective bargaining agreements ratified after September 2, 2013.
- 18**      **Mentoring for probationary teachers.** Requires a school board and the exclusive representative of the teachers to develop a probationary teacher peer review process that is consistent with the annual teacher evaluation process.
- Makes this section effective for the 2014-2015 school year and later.
- 19**      **Development, evaluation, and peer coaching for continuing contract teachers. (a)** Allows a

school board and the exclusive representative of the teachers to develop through joint agreement a teacher evaluation and peer review process, premised on the content of this section, for probationary and continuing contract teachers. If no agreement is reached, then the school board and the exclusive representative of the teachers must implement the plan the commissioner develops under this section.

(b) Establishes an annual teacher evaluation process that: provides probationary teacher evaluations; establishes a three-year professional review cycle and includes at least one summative evaluation performed by a trained evaluator; is based on professional teaching standards; is coordinated with staff development activities; allows time for peer coaching and teacher evaluation; allows mentoring and induction programs; allows teachers to develop and present a portfolio; requires agreed upon teacher value-added assessment models and state and local measures of student growth, the data from which provide the basis for 35 percent of teacher evaluation results; uses longitudinal data on student engagement and connection and other student outcome measures; requires qualified and trained evaluators to perform summative assessments; gives support to improve the performance of teachers not meeting professional teaching standards; and establishes discipline for a poorly performing teacher who fails to improve. Defines individual teacher data as personnel data.

(c) Directs the department, in consultation with teachers and administrators and other education stakeholders to create and publish a teacher evaluation process that complies with the requirements of this section and applies to all teachers without an annual teacher evaluation agreement under paragraph (a).

Makes this section effective for the 2014-2015 school year and later.

- 20**        **Grounds for discharge or demotion.** Makes inefficiency in teaching or managing a school, consistent with the requirements for an annual teacher evaluation, a ground for discharging or demoting a teacher.

Makes this section applicable to collective bargaining agreements ratified after September 1, 2014.

- 21**        **Contract; duties.** Includes an annual evaluation of school principals in the list of duties a school superintendent is required to perform.  
Makes this section effective for the 2013-2014 school year and later.

- 22**        **Duties; evaluation.** (b) Directs school districts to develop and implement a performance-based system for annually evaluating school principals. Requires the evaluation to be designed to improve teaching and learning and to: support and improve a principal's instructional leadership, organizational management, and professional development; include formative and summative assessments; be consistent with a principal's job description, district plans and goals, and the principal's own growth plans and goals, and support principals' leadership behaviors and practices, rigorous curriculum, school performance and high quality instruction; include on-the-job observations and previous evaluations; allow surveys to help identify a principal's effectiveness; use longitudinal data as an evaluation component and incorporate district achievement goals and targets; be linked to professional development; and implement a plan to improve the performance of a principal not meeting standards of professional practice. Indicates that these provisions are intended to provide districts with sufficient flexibility to accommodate district needs and goals in developing, supporting, and evaluating principals.  
Makes this section effective for the 2013-2014 school year and later.

- 23**        **Full-service school zones.** Allows a school board to establish full-service school zones. Creates the zones for a school in an area with higher than average crime that provides education, health or human services, or other parental support in a collaborative manner.

Makes this section effective July 1, 2011.

- 24**        **Definitions.** Expands the definitions of "Regular Transportation" and "Excess Transportation" to

allow for full-service school zones.

Makes this section effective July 1, 2011.

- 25 Authorization; notification.** Allows ninth and tenth grade students to enroll in college in the school's classes if, after all the 11th and 12th grade students have applied, more students are needed to offer the course.
- 26 Dissemination of information.** Directs districts to provide information on postsecondary enrollment options to students in eighth and ninth grade.
- 27 Limit on participation.** Limits the number of academic years ninth and tenth grade students may enroll in postsecondary courses for secondary credit.
- 28 Eligibility.** Expands eligibility for concurrent enrollment program aid to include rigorous career and technical education programs.
- 29 Charter schools.**
- Subd. 1. Purposes.** (b) States that the section is not intended to keep open a school that a school board closes. Allows a school board to endorse or authorize the establishing of a charter school to replace the closed school. Requires charter applicants under this circumstance to demonstrate to the authorizer that the proposed charter is substantially different from the closed school and satisfies the requirements of this subdivision regarding its purpose. Requires a school board that both closes a school and authorizes a charter to document to the education commissioner that the proposed charter is substantially different from the closed school.
- Subd. 3. Authorizer.** (a) Strikes a definition of "affidavit" that describes the substance of a form an authorizer must submit to the commissioner before a charter school may organize an affiliated nonprofit building corporation.
- (b) Makes technical changes. Strikes the requirement that a charitable organization report a year-end fund balance of at least \$2,000,000 to be eligible to serve as a charter school authorizer. Adds a requirement that a charitable organization must have been operating continuously for at least five years before it authorizes a charter school. Strikes the limit on the number of permitted single purpose authorizers.
- (c) Requires the commissioner to approve or disapprove an eligible authorizer's application for approval as an authorizer within 45 instead of 60 business days. If the commissioner disapproves an authorizer's application, requires the commissioner to provide the applicant with written notice of the specific deficiencies. Gives the applicant 20 business days to mitigate the deficiencies and the commissioner a further 15 business days to make a final decision.
- (d) Strikes several requirements addressed elsewhere for what an authorizer must include in its application to the commissioner for approval as an authorizer. Adds a requirement that the authorizer applicant include a description of the authorizer's criteria and process for granting expanded applications.
- (e) Makes a technical change.
- (f) In a circumstance where an authorizer's governing board votes to withdraw as an approved authorizer for a reason unrelated to the grounds for terminating a charter school contract under subdivision 23 of this charter school section, requires the authorizer to notify the commissioner and all its chartered schools by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. Allows the commissioner to approve the transfer of a charter school to a new authorizer after a new authorizer submits an affidavit to the

commissioner.

(i) Allows the commissioner to assist a charter school in acquiring a new authorizer in a case where the commissioner terminates a contract between an authorizer and a charter school after finding that the authorizer failed to comply with statutory requirements governing charter school authorizers.

(j) Allows the commissioner to take corrective action against an authorizer for any good cause shown that provides the commissioner with a legally sufficient reason to act.

**Subd. 4. Formation of school.** (a) Strikes language allowing a charter school to be organized and operated as a cooperative under chapter 308A.

(d) Strikes language allowing a charter school to be organized and operated as a cooperative under chapter 308A.

(f) Requires ongoing training for school board members.

(g) Requires school board elections to be held during the school year, which excludes days when the school is closed for holidays or vacations. Clarifies that the parent member of the school board of directors must not be a school employee. Allows the chief financial officer and chief administrator of a charter school to serve as ex officio nonvoting board members only and precludes charter school employees from serving on a charter school board unless they serve in their capacity as a licensed teacher employed at the school or as a licensed teacher providing instruction at the school under a contract between a cooperative and the charter school. Prohibits contractors providing facilities, goods, or services to a charter school from serving on a charter school board.

(j) Requires an authorizer to submit a supplemental affidavit to the commissioner before the authorizer may permit a charter school board of directors to expand to additional sites or add additional grades. Requires the supplemental affidavit to document the need for the expansion and projected enrollment, the longitudinal data on students' improved academic performance and growth that warrants the expansion, the financing available and sought for this purpose, and the governance and management structures to implement the expansion.

(k) Gives the authorizer 20 business days to mitigate any deficiencies identified by the commissioner.

**Subd. 4a. Conflict of interest.** Prohibits an individual with whom a charter school contracts from serving on the charter school board of directors.

**Subd. 6. Charter school contract.** Adds to the terms of a charter school contract a requirement that the charter school operator agree to indemnify and hold harmless the commissioner and the authorizer and their officers, agents, and employees from any suit, claim, or liability arising from operating the charter school.

**Subd. 6a. Audit report.** Requires an auditor to provide financial services to a charter school to agree to make information about a charter school's financial audit available to the commissioner upon request.

**Subd. 9. Admissions requirements.** Allows a charter school to give enrollment preference to the children of the school's staff instead of the school's teachers.

**Subd. 17a. Affiliated nonprofit building corporation.** Strikes the requirement that the charter of a school operating for at least five school years must have been renewed for a five-year term before the charter school organizes an affiliated nonprofit building corporation to

renovate or purchase an existing facility to serve as a school. Makes technical changes.

**Subd. 23. Causes for nonrenewal or termination of charter school contract.** (a) Requires a charter school authorizer to notify a charter school board of directors within 60 business days of its intent to not renew or terminate the charter contract. Clarifies that an informal hearing is available before the authorizer acts to renew or not renew a charter contract.

(c) Allows a transfer of authorizers when an authorizer and a charter school board of directors mutually agree to terminate or not renew a charter contract. Requires the proposed authorizer to identify any outstanding issues and have the charter school agree to resolve those issues before the commissioner determines whether to approve a transfer of authorizers.

(d) After providing reasonable notice and an opportunity for a public hearing, allows the commissioner to terminate a charter school contract if the commissioner establishes that the charter school failed to meet state pupil performance requirements, among other grounds.

(e) Strikes the commissioner's obligation to provide information about other eligible authorizers to a charter school when the commissioner terminates the charter contract of an authorizer that fails to fulfill statutory requirements.

**Subd. 25. Extent of specific legal authority.** Requires a charter school to assume full liability for its activities and to indemnify and hold harmless the commissioner and authorizer and their officers, agents, and employees from any suit, claim, or liability arising from operating the charter school.

- 30 Building lease aid.** Removes the grandfather clause for charter school building lease aid. Makes the section effective for fiscal year 2012 and later.
- 31 Payment of aids to charter schools.** Paragraph (h) requires a charter school to have a valid, signed contract on file with the department at least 15 days before the department makes the first state aid payment to the charter school in the fiscal year. Paragraph (i) requires state aid entitlements to be computed only for the portion of the school year for which a charter contract exists.
- 32 - 35 ServeMinnesota Innovation Act.** Rename the Youthworks Act to ServeMinnesota Innovations Act and update a federal law reference.
- 36 ServeMinnesota Innovation Program.** Renames Youthworks to ServeMinnesota. The program is established to provide funding for the commission to leverage additional federal and private funding.
- 37 ServeMinnesota Innovation Grants.** The commission is required to publish grant application guidelines consistent with state and federal law and require grantees to use research-based measures of program outcomes to generate data available to the commission for evaluation and public reporting purposes.
- 38 Reading corps.**
- Subd. 6. Program training.** Directs the Minnesota Commission on National and Community Service to provide guidance to grantee organizations on integrating performance based measures into program models.
- Subd. 8. Minnesota Reading Corps program.** Expands the reading corps program training provided by the commission to include guidance on integrating programmatic-based measurement into program models.
- 39 Match Requirements.** Increases the limit on administrative expenses from 5 to 7 percent of the total

program costs. Permits grant funds to be used for training and evaluation of program participants.

- 40 Interim Report.** Requires the commission to report to the legislature annually instead of semiannually with recommendations for program changes.
- 41 Career and technical levy.** Increases the career and technical education levy to the greater of \$80 times the district's average daily membership in grades 9 through 12, or 35 percent, instead of 25 percent of approved expenditures. Limits the total statewide levy to not more than \$17,600,000 for taxes payable in 2012 and 2013 and to not more than \$20,100,000 for taxes payable in 2014 and later.
- Makes the section effective for taxes payable in 2012 and later.
- 42 School segregation prohibited.** States that Minnesota does not condone school segregation.
- 43 Literary incentive aid.**
- Subd. 1. Literacy incentive aid.** In fiscal year 2013 and later, creates literacy incentive aid as the sum of proficiency aid and growth aid.
- Subd. 2. Proficiency aid.** Establishes a formula for a school's proficiency aid. Sets the formula equal to the district's enrollment times \$85 times its proficiency index. Sets the proficiency index equal to the percent of third graders meeting or exceeding proficiency on the third grade reading MCA.
- Subd. 3. Growth aid.** Establishes a formula for a school's growth aid. Sets the growth aid formula equal to the district's enrollment times \$85 times the percentage of fourth graders making medium or high growth on the reading MCA.
- 44 Charter school start-up aid.** Makes a charter school in its first year of operating during fiscal year 2012 or later ineligible for charter school start-up aid.
- 45 Literacy incentive aid limit.** Directs the Commissioner to adjust the literacy incentive aid entitlement, in fiscal year 2013 only, to ensure that the entitlement doesn't exceed \$48,585,000.
- 46 English Language Proficiency Standards.**
- Subd. 1. Standards.** Requires the department to adopt English language proficiency standards as statewide standards.
- Subd. 2. Adoption.** Requires the commissioner to adopt the most recent English language proficiency standards for English learners developed by World-Class Instructional Design and Assessment. Sets a timeline for adopting the permanent rule
- 47 Implementing a performance-based evaluation system for principals.** Paragraph (a) directs the education commissioner and the associations of elementary and secondary school principals to convene a group of experts and stakeholders to develop an annual performance-based principal evaluation system model. Directs the group to consider how principals develop and maintain high standards for student performance, rigorous curriculum, quality instruction, a culture of learning and professional behavior, connections to external communities, systemic performance accountability, and leadership behaviors that create effective schools and improve school performance. Encourages the group to also consider whether to establish a multi-tiered evaluation system for newly licensed principals and more experienced school leaders.
- Paragraph (b) directs the education commissioner and the associations of elementary and secondary school principals to submit a written report and all the group's papers to the legislature by February 1, 2012, discussing the group's responses to paragraph (a) and its recommendations for an annual performance-based principal evaluation system model. Causes the group to expire on June 1, 2012.
- Effective Date. Makes this section effective immediately and applicable to principal evaluations

beginning in the 2013-2014 school year and later.

- 48 Tiered licensure advisory task force.** (a) Directs the board of teaching and the education commissioner to convene and facilitate an advisory task force to develop recommendations for a statewide tiered licensure system premised on: research-based professional competencies; ongoing teacher professional growth; an assessment system for evaluating teachers' performance aligned with value-added measures of student outcomes; an expectation that teachers progress through various stages of teaching practice; and a periodic evaluation of the licensing structure. Encourages the task force to consider the "Model Core Teaching Standards" draft.
- (b) Lists advisory task force members.
- (c) Directs the education commissioner to assist the task force upon request.
- (d) Establishes the terms under which task force members serve.
- (e) Directs the board of teaching and the education commissioner to submit a report to the legislature by February 15, 2012.
- (f) Causes the task force to expire on February 16, 2012.
- Makes this section effective immediately.
- 49 Integration revenue replacement advisory task force.** (a) Directs the education commissioner to convene a 12-member advisory task force to develop recommendations for repurposing integration revenue funds to create and sustain opportunities for students to achieve improved educational outcomes. Requires the task force to consider how to effectively narrow and close the academic achievement gap and foster students' academic success, among other things.
- (b) Suggests that the funding allocation for the new program ensure funding stability for districts receiving revenue under the current integration program. Requires revenue under the new program to be used for purposes recommended by the task force and approved by the legislature.
- (c) Includes on the task force six members appointed by the education commissioner, three members appointed by the house speaker, and three members appointed by the senate. Directs the commissioner to convene the first task force meeting and to provide assistance upon request. Directs task force members to seek input from experts and to develop recommendations to improve students' academic achievement.
- (d) Requires the commissioner to submit a task force report to the legislature by February 15, 2012, recommending how best to allocate funds previously allocated as integration revenue funds in order to achieve improved educational outcomes for students.
- (e) Establishes the base appropriation for the new program in fiscal years 2014 and 2015.
- (f) For taxes payable in 2013, allows districts to certify a levy in an amount equal to the district's certified levy for taxes payable in 2012.
- Makes this section effective immediately.
- 50 Appropriations.** See fiscal tracking worksheets.
- 51 Repealer.** (a) Repeals sections 124D.871 (magnet school and program grants), and 124D.88 (metropolitan magnet school grants) for fiscal year 2012 and later.
- (b) Repeals sections 123B.05 (contract deadline penalty) and 124D.38, subdivisions 4, 5, and 6

(Youthworks definitions of "mentor," "participant," and "placement").

(c) Repeals section 124D.11, subdivision 8 (charter school start-up costs).

(d) Repeals section 124D.86 (integration revenue) effective for revenue for fiscal year 2014.

### Article 3: Special Education

- 1 **Child with a disability.** Updates statutory terms to conform with federal terminology and Minnesota rule.
- 2 **Physical holding or seclusion.** Allows a school district to continue to use prone restraints with certain conditions until August 1, 2012. Requires the department to report back to the legislature on the use of prone restraints.
- 3 **Placement in another district; responsibility.** Authorizes the commissioner to designate the district of residence if there is a dispute between school districts regarding residency.
- 4 **Third-party reimbursement.** (b) For children enrolled in medical assistance or MinnesotaCare, directs a school district to provide an initial and then annual notice to the parent of a child with disabilities of the district's intent to seek reimbursement from medical assistance or MinnesotaCare for the individualized education program health-related services that the district provides to the child. The initial notice must inform the child's parent of the parent's right to request a copy of the child's education records on the health-related services that the district provided and disclosed to a third-party payer.  
  
(c) Requires the district to ensure that the parent of a child with disabilities is given notice, in understandable language, of federal and state procedural safeguards available under this paragraph and paragraph (b).
- 5 **Use of reimbursements.** Allows districts that receive third-party reimbursements to use the payments for individualized education program health-related services the district provides or to help enrolled students with individualized education programs or individual family service plans.
- 6 **Informed consent.** Makes a technical change that adds a cross reference to a federal regulation.
- 7 **District disclosure of information.** Allows a school district to disclose information contained in a child's individualized education program, consistent with state and federal data practices requirements and the consent the parent gave as part of the application for medical assistance or MinnesotaCare.
- 8 **Placement of children without disabilities; education and transportation.** Authorizes the commissioner to designate the district of residence if there is a dispute between school districts regarding residency.
- 9 **Students without a disability from other states.** Declares that a school district is not required to provide educational services to a nonresident student without an individualized education program and without a tuition arrangement or agreement from the placing authority to pay the student's education costs when that student is placed in a Minnesota residential facility.  
  
Makes this section effective July 1, 2011, for fiscal years 2012 and later.
- 10 **Admissions.** (b) Allows a parent to submit an application for an eligible child with disabilities to the Minnesota Academy for the Deaf or the Minnesota Academy for the Blind for a 60- to 90-day trial placement. Establishes a process for approving the trial placement. Allocates responsibilities between the State Academies and the serving school district during the trial placement. Directs the

academy staff to meet with the child's parent before the trial placement concludes to determine if the academy is an appropriate placement.

Causes the child's placement to revert to the previous placement if no agreement on placement is reached. Causes the transportation and due process responsibilities to be the same as during the trial placement if the child's placement continues at the State Academies.

- 11 Appropriations.** See fiscal tracking worksheets.
- 12 Revisor's instruction.** Directs the revisor to substitute "individualized education program" for "individual education plan" everywhere it appears in statute to conform with federal special education law.
- 13 Repealer.** Repeals section 125A.54, (interagency office on transition services).

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

- 1 Debt service appropriation.** Sets the fixed standing appropriation for debt service equalization aid.
- 2 Capital expenditures; health and safety.** Streamlines the process by which school districts apply to the education commissioner for health and safety revenue.
- Makes this section effective July 1, 2011.
- 3 Capital project levy referendum.** Modifies ballot language indicating that voting yes would renew an existing capital projects referendum that is scheduled to expire.
- Makes this section effective the day following final enactment for referenda conducted on or after the 53rd day following final enactment.
- 4 Final plans.** Allows the department to accept conceptual drawings instead of finalized drawings for the review and comment process.
- 5 Certification.** Corrects a cross reference.
- 6 To lease building or land.** Authorizes levy authority for a district that is a member of the "Technology and Information Education Systems" joint board. Limits the total levy authority for participating districts to \$632,000 each year from taxes payable 2012 to 2022.
- Makes this section effective for taxes payable in 2012 and later.
- 7 Independent School District No. 284, Wayzata.** Makes Independent School District No. 284, Wayzata, eligible for the alternative facilities revenue program.
- Makes this section effective for revenue for fiscal years 2013 and later.
- 8 Early repayment.** Authorizes a school district that received a capital loan prior to January 1, 1997, to repay the full outstanding original principal on its capital loan prior to July 1, 2012, and satisfy and discharge its maximum effort capital loan obligation to the state of Minnesota.
- 9 Health and safety policy.** Allows a district to apply to the Commissioner for health and safety revenue for taxes payable in 2012 without having submitted a Health and Safety Plan under subdivision 2.
- 10 Appropriation.** See fiscal tracking worksheets.

## Article 5: Nutrition and Accounting

- 1        **Additional revenues; priority.** Clarifies the reference to the property tax recognition shift for purposes of repaying school shifts in the event of a state general fund surplus.
- 2        **Levy recognition.** Strikes the state paid tax credits from the early recognition calculation of school district property tax levies.  
  
Makes this section effective for fiscal year 2011.
- 3        **Payment of aids to charter schools.** Requires that charter schools be paid for the current fiscal year 24 times during the year if the aid payment percentage is 90 or greater and requires that charter schools be paid for the current fiscal year 24 times during the year if the aid payment percentage is less than 90.
- 4        **Violations of law.** Clarifies the mechanism for withholding or reducing funds as a result of violations of law.
- 5        **District employment of unlicensed teachers; aid reduction.** Clarifies that state aid is withheld and not reduced for employing unlicensed teachers.  
Makes this section effective July 1, 2011.
- 6        **Aid reduction; levy revenue recognition change.** Requires the commissioner to schedule the timing of adjustments for the purposes of determining revenue recognition as close to the fiscal year end as possible.  
  
Makes this section effective for fiscal year 2011.
- 7        **Definitions.** Sets the aid payment percentage to 60 percent in fiscal years 2012 and later.
- 8        **Payment dates and percentages.** Requires the commissioner to accelerate a charter school's final payment adjustment (clean-up payment), pays charter schools 75 percent of the clean-up payment in July and 25 percent in October instead of on the school district payment schedule that pays school districts on four dates spread out from July through October.
- 9        **Payment to creditors.** Directs the education commissioner to make state aid payments only to school districts, charter schools, and other educational organizations that provide education services.
- 10       **Levy aid recognition timing.** Requires the commissioner to schedule the portion of the aid adjustment for fiscal year 2011 attributable to the exclusion of levy portions assumed by the state from the levy calculation to occur with the final 2011 payment made on October 30, 2011.
- 11       **Fund transfer; fiscal years 2012 and 2013.** Authorizes a school district to transfer any money from one fund or account to another in fiscal years 2012 and 2013 as long as the transfer does not increase state aid obligations or increase local property taxes. Excludes transfers from the community service fund or the food service fund. Allows a school board to approve a fund transfer only after the board adopts a resolution stating that the transfer will not diminish instructional opportunities for students.
- 12       **Appropriations.** See fiscal tracking worksheets.
- 13       **Repealer.** Repeals section 127A.46 (the state's ability to delay school aid payments in lieu of state short-term borrowing).

### Article 6: Libraries

- 1 **Funding.** Removes the maintenance of effort requirements of cities and school districts for a library jointly operated by a city and school district.

Makes this section effective retroactively to fiscal year 2011 and later.

- 2 **Appropriation.** See fiscal tracking sheets.

### Article 7: Early Childhood Education

- 1 **Early childhood literacy programs.** Strikes the commissioners requirement to collect and evaluate literacy data on children from age three to grade 3.

- 2 **Appropriations.** See fiscal tracking worksheets.

### Article 8: Prevention

- 1 **Community education director.** Allows a school board of a school district with fewer than 6,000 residents, instead of 2,000 residents, to identify a person with a valid Minnesota principal or superintendent license to serve as the community education director instead of a licensed community education director serving in that position.

- 2 **Appropriations.** See fiscal tracking worksheets.

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

- 1 **State total adult basic education aid.** Strikes obsolete language, reduces the program growth factor from 1.03 to 1.02.

Makes this section effective for revenue for fiscal year 2012 and later.

- 2 **Adult basic education program aid limit.** Strikes obsolete language.

- 3 **Appropriation.** See fiscal tracking worksheets.

### Article 10: Student Transportation

- 1 **Area learning center pupils between buildings.** Broadens a school district's pupil transportation authority for students attending area learning centers by allowing the district to transport area learning center pupils between buildings if space exists on an existing bus.

- 2 **Definitions.** Includes transportation of pupils for a curricular field trip activity on a school bus with a powerlift when the lift is required by the student's disability or section 504 plan in the definition of "transportation services for pupils with disabilities."

- 3 **District reports.** Amends statutes to provide a more consistent method to measure transportation provided by the schools and provides an exemption from the standard cost allocation method for districts that contract for transportation services when the listed criteria are met.

**Article 11: State Agencies**

- 1 Appropriations; Department of Education.** Reduces the state agency budget by five percent for each year of the biennium.  
See fiscal tracking worksheets.
- 2 Appropriation; Minnesota State Academies.** Reduces the academies' budget by an amount equal to the savings generated by contracting their food services.  
See fiscal tracking worksheets.
- 3 Appropriation; Perpich Center for Arts Education.** Reduces the Perpich Center budget by five percent for each year of the biennium. See fiscal tracking sheets.

**Article 12: Forecast Adjustments**

This article adjusts appropriations for fiscal year 2011 to reflect the February 2011 forecast changes.

**Article 13: Effective Date**

Section 1 makes this act effective retroactively from July 1, 2011, unless otherwise specified and supersedes funding authorized by order of the Second Judicial District Court.