

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 934
Version: Conference Committee Report

DATE: May 12, 2011

Authors: Garofalo; Olson, G.

Subject: Education Omnibus Bill

Analyst: House and Senate
K-12 Education Staff

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

Overview

Contains conference committee recommendations for the funding of 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 Assessment of performance.** Allows nonpublic schools to assess students using a nationally recognized college entrance exam. Removes the requirement of the superintendent and the person in charge of the child's instruction to agree on an examination. Strikes language requiring a home school parent to assess student performance beyond the requirements of the national test administered to the student.
- 3 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. Strikes the requirement of the superintendent to include compliance data in the report.

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

- 4 **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.
- 5 **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).
- 6 **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.
- 7 **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.
- 8 **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.
- 9 **Classes, number.** Requires the commissioner of education to include charter schools as a type of school district for purposes of defining school districts.
- 10 **Pupil of limited English proficiency.** Allows a nonproficient participant on an assessment measuring emerging academic English to generate limited English proficiency aid.
- 11 **Basic revenue.** Increases the basic formula allowance from \$5,124 to \$5,144 in fiscal year 2012, to \$5,165 for fiscal year 2013.
- 12 **Compensatory education revenue.** Delinks compensatory revenue from the basic formula allowance.
- 13 **Secondary sparsity revenue.** Delinks secondary sparsity revenue from the formula allowance.
- 14 **Elementary sparsity revenue.** Delinks elementary sparsity revenue from the formula allowance.
- 15 **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.
- 16 **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.

- 17 Transportation sparsity revenue allowance.** Delinks the transportation sparsity revenue calculation from the basic formula allowance.
- 18 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.
- 19 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.
- 20 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.
- 21 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.
- 22 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.
- 23 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.
- 24 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.
- 25 Violations.** Makes it a violation to falsify the certification required to issue an instruction permit to a home school student.
- 26 When issued.** Allows the person in charge of providing instruction to home school students to issue an employment certificate to a minor who wishes to work during school hours.
- 27 City or town where quarried or produced.** Eliminates the 2009 language that transferred the aid offset portion of the taconite production money to cities and towns located within the taconite relief area.
- 28 School districts.** Removes the 2009 redirection of taconite production revenue from school districts to cities and towns located within the taconite relief area.
- 29 Alternative compensation forecast revenue recapture.** Reduces by \$10 million the aid entitlement for basic entitlement for basic alternative compensation revenue for fiscal year 2012 only.
- 30 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.
- 31 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.
- 32 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.

33 Appropriation. See fiscal tracking sheets.

34 Repealer and reenactment. (a) Repeals the section of session law that repealed the taconite production tax offset against general education revenue and reinstates the general education aid subtraction for fiscal years 2012 and later.

(b) Repeals the on-site visits (§ 120A.26, subd. 1), alternative to visits (§ 120A.26, subd. 2), and training and experience revenue (§ 126C.10, subd. 5).

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. (a) Directs the education commissioner to revise and align the state's academic standards and graduation requirements consistent with the statutorily established review cycle and rulemaking requirements under Minnesota Statutes, chapter 14, but prohibits the commissioner from finally adopting revised and realigned academic standards and graduation requirements in rule without specific legislative authority.

(d) 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.

(f) Postpones by one year the review of the state's academic standards and graduation requirements in social studies.

(h) Prohibits the education commissioner from adopting the common core standards as part of the statutory cycle for reviewing and revising state academic standards.

Makes this section effective immediately.

3 School and student indicators of growth and achievement. Directs the education commissioner to annually report a student's growth and progress toward grade-level proficiency as that proficiency relates to applicable state standards and the statewide assessments aligned with those standards.

Makes this section effective July 1, 2012, and applicable to growth data beginning in the 2012-2013 school year.

4 School performance report card. Includes the number of teachers in each performance effectiveness rating category, by school site, in the data reported on the school performance report card.

Makes this section effective July 1, 2014.

5 District and charter school and school district grading system and school recognition program.

Subd. 1. District and charter school and school district grades. (a) Consistent with state growth targets and school performance report cards, establishes an "A to F" school and district grading system to identify schools where students are achieving low, medium, or high growth and achieving or not achieving proficiency on statewide reading and math tests. Directs the commissioner annually to grade schools and districts and report the grades based on specified calculations: (1) bases 50 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved proficiency on statewide reading and math assessments in the previous school year; (2) bases 25 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low, medium, or high growth on statewide reading and math

assessments in the previous school year; (3) bases 15 percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low growth and did not achieve proficiency on the statewide reading assessments in the previous school year; (4) bases ten percent of a school's grade on the numbers and percentages of students in applicable student subcategories under federal law who achieved low growth and did not achieve proficiency on the statewide math assessments in the previous school year; and (5) using the calculations in clauses (1) to (4), bases a school district's grade on the combined average of all district schools.

(b) Requires that school and district grades accurately reflect the differences in schools' performance based on students' proficiency and growth and the calculations required under this subdivision. Allows a school or district to appeal its grade in writing to the commissioner within 30 days of receiving notice of its grade and makes the commissioner's decision final. Categorizes grades given under this section as nonpublic data until not later than ten days after an appeal is completed under this paragraph.

Subd. 2. District and charter school recognition. (a) Makes a school that receives an "A" grade in the previous school year, improves at least one letter grade in the previous school year, or improves two or more letter grades in the two previous school years eligible for a school recognition award.

(b) Declares that a school recognition award equals \$100 per enrollee in each eligible school. Directs the commissioner to distribute the awards.

(c) Allows a school to use a school recognition award to pay one-time staff bonuses, pay one-time expenditures for equipment or materials to help maintain or improve student academic achievement, temporarily employ licensed or otherwise qualified staff to help maintain or improve student academic achievement. Declares that awards are not subject to collective bargaining agreements.

(d) Allows a school to select a site team to decide how to distribute the award and if no site team is selected or no site team agreement is reached by November 1 in the year the award is made, directs the school principal or other person having administrative control of the school to distribute the award.

Makes this section effective immediately and requires the commissioner to use student performance data beginning in the 2011-2012 school year, determine and report a letter grade for each school and district, and distribute school recognition awards beginning in the 2012-2013 school year and later.

6

Qualified economic offer. (a) For teachers generally, prevents teachers from striking or pursuing interest arbitration on an issue related to their total compensation when a school board offers its teachers a biennial employment contract that includes a percentage increase in their total compensation that at least equals the percentage increase in basic revenue as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium. Declares that other revenue sources available to the district are not to be included in any calculation of compensation.

(b) Defines total compensation for teachers when the school board and the exclusive representative of the teachers fail to agree to a total compensation amount by September 1 of an even-numbered year. Bases total compensation under this paragraph on (1) continuing teachers' benefits at the same percentage of the total compensation and in the same manner as the benefits provided in the last contract and (2) calculating any remaining percentage increase in total compensation (based on the percentage increase in the general education formula allowance), first, on any alternative teacher professional pay plan in effect, second, on number of years of teaching service, and third, on promotion and continuing education.

(c) Defines teachers to include classroom teachers. Allows a school board to offer school administrators and non-licensed employees a contract under this section. Defines total compensation to include salaries and other employee benefits.

Makes this section effective after July 1, 2011.

- 7 Probationary period.** (e) Directs a school board to decide whether or not to renew a probationary classroom teacher's contract based on the teacher's appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.
- Makes this section effective for the 2013-2014 school year and later.
- 8 Termination of contract after probationary period.** (a) For teachers generally, declares that a teacher who satisfactorily completes a probationary period has a renewable five-year contract. Requires a teacher's termination for cause to comply with statutory parameters. Changes from April 1 to July 1 the date by which the school board must vote to terminate a teacher's contract.
- (b) Clarifies that a hearing request by a teacher whose contract may be terminated by the board must be granted within ten calendar days and given notice of the hearing date. Removes the option for arbitration for a teacher terminated under subdivision 9. Permits a school board to suspend a teacher with pay pending the conclusion of a hearing or arbitration.
- Makes this section effective for the 2013-2014 school year and later.
- 9 Teacher employment.** (a) For teachers generally, requires school districts to use a teacher appraisal framework to make informed decisions about teacher development and performance. Requires teachers to participate in ongoing professional development to improve teaching and learning throughout the employment term.
- (b) Gives a teacher who successfully completes a three-year probationary period a renewable five-year contract. Adjusts the terms and conditions of employment and compensation based on the length of the school year or extended school calendar.
- (c) Requires a school board either to continue or terminate a teacher's employment at the end of each five-year period based on the teacher's appraisal results and performance effectiveness rating, and other locally selected criteria aligned to instructional practices in teaching and learning.
- Makes this section effective for the 2013-2014 school year and later.
- 10 Grounds for termination.** (a) For teachers generally, adds teacher ineffectiveness as a ground for which a school board may terminate a teacher. Prohibits a school board from terminating a teacher for ineffectiveness unless the teacher fails to correct the deficiency within 180 days of receiving notice of the deficiency.
- (b) Clarifies that a teacher whose five-year renewable contract may be terminated effective at the end of the school year must receive a written plan to assist them in correcting the items of complaint and have a period no longer than 6 months to remedy those items.
- Makes this section effective for the 2013-2014 school year and later.
- 11 Unrequested leave of absence.** (a) For teachers generally, allows a superintendent to exempt from the effects of statutory unrequested leave of absence provisions those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers can not provide or whose subject area license meets unmet district needs for student instruction. Strikes language allowing a school board to place probationary teachers on unrequested leave first in the inverse order of their employment. Also strikes language prohibiting a board from placing continuing contract teachers on unrequested leave while probationary teachers are retained in positions for which the continuing contract teacher is licensed.
- (b) Directs teachers to be placed on unrequested leaves in fields in which they are licensed in the following order: (1) teachers rated as ineffective in the inverse order of their employment; (2) teachers rated as needs improvement in the inverse order of their employment; (3) teachers rated as

average with four years or more of teaching experience in the inverse order of their employment; (4) teachers rated as effective with fewer than four years teaching experience in the inverse order of their employment; and (5) teachers rated as highly effective in the inverse order of their employment.

(c) Allows a district to retain a teacher with a lower designated status or less seniority as part of an affirmative action program.

(d) Strikes language prohibiting the reinstatement of a provisionally licensed teacher while another continuing contract teacher who holds a license in the same field remains on unrequested leave.

(h) Indicates that a teacher placed on unrequested leave who is not reinstated continues until the teacher's five-year contract expires.

Makes this section effective for the 2013-2014 school year and later.

- 12 Immediate discharge.** Permits a school board to discharge a teacher immediately if the board was unable to terminate a teacher at the end of the previous school year. Allows a board to suspend a teacher with pay for 60 days. Requires a hearing to be held within 30 days of the board action proposing discharge.

Makes this section effective September 1, 2011.

- 13 Hearing and determination by arbitrator.** Allows a teacher who may be discharged immediately to elect arbitration instead of a hearing before the school board. Requires the hearing to be held within 30 days of the board action proposing discharge. Allows a school board to request that the Bureau of Mediation Services provide a list of five randomly selected arbitrators if the teacher and the school board cannot agree on an arbitrator. Allows the arbitrator to impose a lesser penalty than discharge if both parties agree.

- 14 Decision.** Requires a school board to issue a decision within ten calendar days after conclusion of a termination hearing or receipt of an arbitrator's decision on a discharge proceeding.

- 15 Probationary period; discharge or demotion.** (d) Directs a school board to decide whether or not to renew a probationary classroom teacher's contract based on the teacher's appraisal results and performance effectiveness rating and other locally selected criteria aligned to instructional practices in teaching and learning.

Makes this section effective for the 2013-2014 school year and later.

- 16 Qualified economic offer.** (a) For teachers in Minneapolis, St. Paul, and Duluth, prevents teachers from striking or pursuing interest arbitration on an issue related to their total compensation when a school board offers its teachers a biennial employment contract that includes a percentage increase in their total compensation that at least equals the percentage increase in basic revenue as measured by the ratio of (1) the most recent estimate of district basic revenue for the biennium that corresponds to the prospective contract term to (2) district basic revenue for the previous biennium. Declares that other revenue sources available to the district are not to be included in any calculation of compensation.

(b) Defines total compensation for teachers when the school board and the exclusive representative of the teachers fail to agree to a total compensation amount by September 1 of an even-numbered year. Bases total compensation under this paragraph on (1) continuing teachers' benefits at the same percentage of the total compensation and in the same manner as the benefits provided in the last contract and (2) calculating any remaining percentage increase in total compensation (based on the percentage increase in the general education formula allowance), first, on any alternative teacher professional pay plan in effect, second, on number of years of teaching service, and third, on

promotion and continuing education.

(c) Defines teachers to include classroom teachers. Allows a school board to offer school administrators and non-licensed employees a contract under this section. Defines total compensation to include salaries and other employee benefits.

Makes this section effective after July 1, 2011.

- 17** **Teacher employment.** (a) For teachers in first class city school districts, requires school districts to use a teacher appraisal framework to make informed decisions about teacher development and performance. Requires teachers to participate in ongoing professional development to improve teaching and learning throughout the employment term.
- (b) Gives a teacher who successfully completes a three-year probationary period a renewable five-year contract. Adjusts the terms and conditions of employment and compensation based on the length of the school year or extended school calendar.
- (e) Requires a school board either to continue or terminate a teacher's employment at the end of each five-year period based on the teacher's appraisal results and performance effectiveness rating and other locally selected criteria aligned to instructional practices in teaching and learning.

Makes this section effective for the 2013-2014 school year and later.

- 18** **Grounds for discharge or demotion.** For teachers in first class city school districts, adds teacher ineffectiveness as a ground for which a school board may discharge or demote a teacher. Indicates that teacher ineffectiveness is distinct from inefficiency in teaching as a ground for discharge. Prohibits a school board from discharging a teacher for ineffectiveness unless the teacher fails to correct the deficiency within 180 days of receiving notice of the deficiency.

Makes this section effective for the 2013-2014 school year and later.

- 19** **Services terminated by discontinuance or lack of pupils; preference given.** Establishes an order for discontinuing teachers in a first class city school district if the school board and the exclusive representative of the teachers fail to agree to a plan for discontinuing teachers. Causes teachers to be discontinued as follows: (1) teachers rated as ineffective in the inverse order of their employment; (2) teachers rated as needs improvement in the inverse order of their employment; (3) teachers rated as average with four or more years of teaching experience in the inverse order of their employment; (4) teachers rated as effective with fewer than four years of teaching experience in the inverse order of their employment; and (5) teachers rated as highly effective in the inverse order of their employment. Allows a superintendent to exempt from the effects of this subdivision those teachers who, in the superintendent's judgment, are able to provide instruction that similarly licensed teachers cannot provide or whose subject area license meets unmet district needs for student instruction. Strikes language prohibiting: a provisionally licensed teacher, except a teacher with a vocational license, from exercising seniority except with respect to another provisionally licensed teacher; and the reinstatement of a provisionally licensed teacher while another tenured teacher who holds a license in the same field remains on unrequested leave.

Makes this section effective for the 2013-2014 school year and later.

- 20** **Teacher evaluations.**

Subd. 1. Evaluation structure. Establishes a teacher evaluation structure to provide information about teacher effectiveness for teachers, school districts, and charter schools to use in developing and improving teacher performance and student learning. Lists the two parts of the structure: a teacher appraisal framework that identifies the performance measures for determining teacher effectiveness; and a mechanism for translating the performance data into a

five-part teacher effectiveness rating scale.

Subd. 2. Teacher appraisal framework. (a) Directs school districts and charter schools to create and implement a teacher appraisal framework that translates performance measures and scores into five effectiveness rating scores where 5 is the highest rating. Directs the education department, in collaboration with the board of teaching, to make available appraisal frameworks and other evidence-based materials to assist schools and districts in implementing an appraisal framework.

(b) Makes statewide assessment results the basis for 50 percent of a teacher's total appraisal if such results are available.

(c) If statewide assessment results are unavailable, makes district-wide assessment results of state and local standards the basis for 50 percent of a teacher's appraisal.

(d) If district-wide assessment results are unavailable, makes teacher-developed and administrator-approved assessments of state and local standards the basis for 50 percent of a teacher's total appraisal. Requires school administrators to meet at least annually with teachers to review, modify, and approve local course and grade-level expectations for student achievement and growth.

(e) Directs a charter school board of directors or school board to consult with teachers in identifying the performance measures used as a basis for the other 50 percent of a teacher's total appraisal. Requires the appraisal to include data from parent surveys and at least one annual evaluation performed by a trained school administrator or the administrator's trained designee. Suggests other possible performance measures.

Subd. 3. Teacher performance effectiveness ratings. (a) Beginning in the 2012-2013 school year, requires districts and charter schools to use a five-point scale to determine performance effectiveness for each teacher who teaches a subject for which statewide assessment results exist. (1) Rates as highly effective a teacher whose students achieve one and one-half year's of academic growth on statewide assessments and who receives a 5 performance rating on the district or charter school appraisal framework. (2) Rates as effective a teacher whose students achieve at least one year of academic growth on statewide assessments and who receives a 4 performance rating on the district or charter school appraisal framework. (3) Rates as average a teacher whose students achieve at least .9 years of academic growth on statewide assessments and who receives a 3 performance rating on the district or charter school appraisal framework. (4) Rates as needs improvement a teacher whose students achieve between .5 and .9 years of academic growth on statewide assessments and who receives a 2 or lower performance rating on the district or charter school appraisal framework. (5) Rates as ineffective a teacher whose students achieve less than one-half year's of academic growth on statewide assessments and who receives a 1 performance rating on the district or charter school appraisal framework. Declares that a teacher who does not meet both the growth and performance rating requirements in any clause (1) to (4) receives the next lower effectiveness rating

(b) Beginning in the 2012-2013 school year, requires districts and charter schools to use a five-point scale to determine performance effectiveness for each teacher who teaches a subject for which no statewide assessment results exist. Requires districts and charter schools, in consultation with teachers, to define low, medium, and high growth and progress toward grade-level proficiency in order to establish performance effectiveness ratings. (1) Rates as highly effective a teacher who receives a 5 performance rating on the district or charter school appraisal framework. (2) Rates as effective a teacher who receives a 4 performance rating on the district or charter school appraisal framework. (3) Rates as average a teacher who receives a 3 performance rating on the district or charter school appraisal framework. (4) Rates as needs

improvement a teacher who receives a 2 performance rating on the district or charter school appraisal framework. (5) Rates as ineffective a teacher who receives a 1 performance rating on the district or charter school appraisal framework.

(c) Exempts a teacher rated highly effective or effective from an appraisal in the next year after the teacher receives that rating.

Subd. 4. Data gathering and analysis. Beginning in the 2012-2013 school year, directs the education department, in consultation with the board of teaching, to assist districts and charter schools in collecting and aggregating student data needed to implement this section. Allows the department and a district or charter school to enter into a data sharing agreement where needed. Declares that any data on individual students or teachers used to generate summary data under this section are nonpublic data.

Subd. 5. Reports. (a) Beginning in the 2012-2013 school year, directs districts and charter schools to annually report by July 15 information about teachers' performance effectiveness ratings, teachers' professional preparation program, the teacher appraisal framework, and the local graduation rate.

(b) Beginning February 15, 2014, directs the education department to submit an annual report to the legislature analyzing and evaluating summary data reported under this subdivision to determine the effectiveness of teacher appraisal systems in improving teaching and learning.

Makes this section effective immediately.

- 21** **Advisory task force on implementing a teacher evaluation structure.** Directs the education commissioner to convene a 19-member advisory task force to make recommendations on implementing the state's teacher evaluation structure. Includes as task force members: representatives from the Minnesota Chamber of Commerce, the Minnesota Business Partnership, the Minnesota Assessment Group, the Minnesota Association of School Administrators, the Minnesota Elementary and Secondary School Principals Associations, Education Minnesota, the Minnesota School Boards Association, and parents; and three appointments each by the Minnesota House, Minnesota Senate, and the education commissioner of teacher evaluation experts who serve six-year terms. Directs the commissioner or the commissioner's designee to serve as a nonvoting task force member and to provide technical assistance upon request. Directs task force members to annually recommend changes needed to effectively implement the teacher evaluation structure. Directs the commissioner to report the task force recommendations to the legislature by February 15, 2012.

Makes this section immediately effective.

- 22** **Transitional planning year.** Strikes many of the requirements for the transitional planning year applicable to school sites, school districts, charter schools, and intermediate districts interested in participating in Q-Comp. Directs interested school sites, districts, intermediate districts, and charter schools to begin developing an alternative teacher pay plan.

Makes this section effective immediately.

- 23** **Alternative teacher professional pay system.** Requires participating school sites, districts, charter schools, and intermediate districts to have a pay system agreement that awards compensation increases based on the teacher evaluation structure.

Makes this section effective for the 2013-2014 school year and later.

- 24** **Charter school application.** Strikes language requiring that a charter school application to participate in Q-Comp include a record indicating that at least 70 percent of the charter school teachers agree to implement Q-Comp unless the charter school submits another alternative professional pay system agreement before the first year of the school's operation.

Makes this section effective June 1, 2013.

- 25 Approval process.** Clarifies that the commissioner's 30-day time line for review means 30 business days.

Makes this section effective immediately.

- 26 Staff development program.**

Subd. 1a. Effective staff development activities. Requires staff development activities to be aligned with district and school site staff development plans, based on student achievement and growth data, and focused on student learning goals.

Makes this section effective for the 2013-2014 school year and later.

- 27 School administrator development.** Directs a school board and district administrators to collaboratively establish a professional development model that uses the district's available professional development resources and plans to improve teaching and learning by supporting administrators in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. Requires that the model: support and improve administrators' instructional leadership; provide professional development that emphasizes improved teaching and learning and a collaborative professional culture; recommend appropriate professional development opportunities for principals that support administrator's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction; and use various evaluation components targeted at identifying a school's systemic strengths and weaknesses and those of administrators in exercising leadership in pursuit of school success. Declares that this section is intended to provide districts with sufficient flexibility to meet district needs and goals.

Makes this section effective July 1, 2012.

- 28 Annuity contract; payroll allocation.** Gives local school boards the ability to determine the identity and number of vendors of federal 403(b) service-based retirement plans for school employees instead of having the determination made as part of the collective bargaining agreement between the school board and the exclusive representative of the teachers.

Makes this section effective July 1, 2011.

- 29 Duties.** Prohibits a school board from entering into an agreement that limits a superintendent's ability to assign and reassign teachers or administrators to schools within the district to best meet student and school needs as determined by the superintendent.

- 30 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.

- 31 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.

- 32 Definitions.** Expands the definitions of "Regular Transportation" and "Excess Transportation" to allow for full-service school zones.

Makes this section effective July 1, 2011.

- 33 Enrollment options for students at low-performing public schools.**

Subd. 1. Student enrollment options. (a) Makes a student who attends a persistently low-

performing school located in a city of the first class for one school year and whose family income does not exceed 175 percent of poverty eligible to enroll in a nonpublic school under this section or in a nonresident school district or program under the state's open enrollment law.

(b) Defines "persistently low-performing school" to mean a school located in a city of the first class where, for at least the past three school years, more than 40 percent of the students scored at the "does not meet standards" level on the reading or math MCA, more than 50 percent of students demonstrate growth in reading or math that is either not proficient with either low or medium growth or proficient with low growth, or 50 percent or more of secondary school students do not receive a passing score on the first administration of the reading, math, or writing GRAD test.

(c) Defines a city of the first class to mean Minneapolis, St. Paul, or Duluth.

Subd. 2. Eligible nonpublic schools. (a) Requires an eligible nonpublic school under this section to administer statewide writing, reading, and math MCAs to students enrolled under this section.

Subd. 3. Tuition funding for students transferring to nonpublic schools. Directs the commissioner to make three equal payments on September 1, January 1, and July 1 to the parent or guardian of a student enrolled in a nonpublic school. Directs the commissioner to send the check to the nonpublic school to have the parent restrictively endorse the check for the nonpublic school to use.

Subd. 4. Student transportation. Makes the resident school district responsible for transportation within the district's borders for a student enrolled in a nonpublic school. Provides the district with transportation funding equal to the actual cost of transportation services in the current school year.

Subd. 5. Funding for student testing. Directs the state to pay the nonpublic school for the costs of administering statewide tests.

Subd. 6. List of nonpublic schools. Directs the commissioner to publish a list of participating nonpublic schools.

Makes this section effective for the 2011-2012 school year and later.

- 34 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.
- 35 Dissemination of information.** Directs districts to provide information on postsecondary enrollment options to students in eighth and ninth grade.
- 36 Limit on participation.** Limits the number of academic years ninth and tenth grade students may enroll in postsecondary courses for secondary credit.
- 37 Employment and other operating matters.** Requires charter schools to create and implement a teacher evaluation structure. States that teacher evaluations do not create additional due process rights for teachers.
- 38 Building lease aid.** Removes the grandfather clause for charter school building lease aid.
- Makes the section effective for fiscal year 2012 and later.
- 39 - 42 ServeMinnesota Innovation Act.** Renames the Youthworks Act to ServeMinnesota Innovations Act and updates a federal law reference.

- 43** **ServeMinnesota Innovation Program.** Renames Youthworks to ServeMinnesota. States that the program is established to provide funding for the commission to leverage additional federal and private funding.
- 44** **ServeMinnesota Innovation Grants.** Requires the commission to publish grant application guidelines consistent with state and federal law and requires grantees to use research-based measures of program outcomes to generate data available to the commission for evaluation and public reporting purposes.
- 45** **Reading corps.** (a) Expands the reading corps program training provided by the commission to include guidance on integrating programmatic-based measurement into program models.

(c) Requires the commission to submit a biennial report to the legislature evaluating the efficacy of literacy programs.
- 46** **Match requirements.** Increases the limit on administrative expenses from five to seven percent of the total program costs. Permits grant funds to be used for training and evaluation of program participants.
- 47** **Interim report.** Requires the commission to report to the legislature annually instead of semiannually with recommendations for program changes.
- 48** **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.
- 49** **School segregation prohibited.** States that Minnesota does not condone school segregation.
- 50** **Innovation achievement transition revenue.** Provides innovation achievement transition revenue to increase student achievement. Sets the fiscal year 2012 revenue amount equal to each district's expected integration revenue for fiscal year 2012. Makes the revenue amount for fiscal years 2013 and later equal to each district's fiscal year 2012 innovation levy. Adjusts fiscal year 2012 aid amounts down for the Minneapolis, St. Paul, and Duluth school districts. Reinstates a reduced innovation aid amount for these three districts for fiscal years 2013 and later.
- 51** **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 \$100 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 \$100 times the percentage of fourth graders making medium or high growth on the reading MCA.
- 52** **Nonessential employees.** Precludes teachers from requesting interest arbitration.
Makes this section effective July 1, 2013.
- 53** **Teacher contracts.** Allows a school board and the exclusive representative of the teachers to meet and negotiate and enter into an employment contract between March 15 and October 15 in an odd-

numbered year. If a certified written agreement is not reached by October 15, suspends the negotiations until the three-month period preceding September 1 in the next even-numbered year. Makes employee compensation during the time negotiations are suspended subject to the collective bargaining agreement in effect in the preceding bargaining cycle. If an agreement is not reached during the three-month negotiating period in an even-numbered year, directs the district to submit the matter to an arbitrator selected by the Bureau of Mediation Services who must decide the matter based on a final offer total package from each party. Declares that the arbitrator's award must not cause a structural imbalance in a district's budget during the contract term that is subject to the arbitrator's award.

Makes this section effective July 1, 2013.

- 54** **When authorized.** Prohibits teachers from striking.
Makes this section effective July 1, 2013.
- 55** **Notice.** Strikes language establishing the conditions under which teachers may strike.
Makes this section effective July 1, 2013.
- 56** **Implementing a performance-based evaluation system for principals.** (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.
- (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.
Makes this section effective immediately and applicable to principal evaluations beginning in the 2013-2014 school year and later.
- 57** **Report; plan for implementing school and district grading system.** Directs the education commissioner to convene a stakeholder group to advise the commissioner on developing a plan to implement the school and district grading system. Directs the commissioner to present the written plan to the legislature by February 15, 2012, and include any recommendations for further clarifying the school and district grading system.
Makes this section effective immediately.
- 58** **Report; recommendations for increasing schools' financial flexibility.** Directs the education commissioner, by February 1, 2012, to recommend to the legislature fiscal mandates that could be waived to give greater financial flexibility to schools receiving an "A" grade, schools that improved at least one letter grade in the school year, and schools improving two or more letter grades in two school years.

Makes this section effective immediately.
- 59** **Enrollment options for students of low-performing schools; report.** Directs the commissioner to report to the legislature by February 1, 2014, on enrollment options for students at low-performing public schools. Requires the report to examine student demographics and academic performance.
- 60** **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.

- 61 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.
- 62 Appraisal implementation timeline.** Directs districts and charter schools to implement the teacher appraisal framework as follows: develop an appraisal framework and data collection system in the 2011-2012 school year; implement an appraisal framework and data collection system as a pilot program in the 2012-2013 school; and fully implement the appraisal framework and data collection system in the 2013-2014 school year.
- Makes this section effective immediately.
- 63 Appropriations.** See fiscal tracking sheets.
- 64 Repealer.** (a) Repeals 179A.18, subd. 2 (conditions for strikes) effective July 1, 2013.
- (b) Repeals sections 122A.61 (staff development revenue), 124D.11, subdivision 8 (charter school start-up costs), 124D.86 (integration revenue), 124D.871 (magnet school and program grants), and 124D.88 (metropolitan magnet school grants) for fiscal year 2012 and later.
- (c) Repeals section 124D.38, subdivisions 4, 5, and 6 (Youthworks definitions of "mentor," "participant," and "placement").
- (d) Repeals sections 123B.05 (contract deadline penalty), 124D.892 (Office of Desegregation/Integration), and 124D.896 (Desegregation/Integration and Inclusive Education Rule Authority) effective July 1, 2011.
- (e) Repeals sections 122A.40, subdivision 10 (negotiated unrequested leave of absence), and 122A.60, subdivisions 1, 2, 3, and 4 (staff development) for the 2013-2014 school year.
- (f) Repeals Minnesota Rules, parts 3535.0100; 3535.0110; 3535.0120; 3535.0130; 3535.0140; 3535.0150; 3535.0160; 3535.0170; and 3535.0180 (Desegregation/Integration Rule) effective July 1, 2011.

Article 3: Special Education

- 1 Rulemaking.** Prohibits the education commissioner from adopting new special education rules or amending existing special education rules without specific legislative authority. Exempts technical changes and corrections from this prohibition.
- Makes this section effective immediately.
- 2 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; withdraw consent for the district to disclose information in a child's education record at any time without affecting a parent's eligibility for medical assistance or MinnesotaCare; and receive a statement indicating that the parent's decision to withdraw consent for the district to disclose information about the child has no consequence for the parent.
- (c) Requires a district's annual written notice under this subdivision to inform the parent of the parent's right to withdraw consent for the district to disclose information in a child's record about the health-related services the district provided to the child, including consent that the parent gave as part

of an application process for any public assistance program that may result in the parent being eligible for medical assistance or MinnesotaCare. 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).

Makes this section effective immediately.

- 3 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.

Makes this section effective immediately.

- 4 Informed consent.** Makes a technical change that adds a cross reference to a federal regulation.

Makes this section effective immediately.

- 5 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.

Makes this section effective immediately.

- 6 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.

- 7 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.

Makes this section effective July 1, 2011.

- 8 Definitions.** Lowers the regular special education growth factor from 1.046 to 1.02 for revenue for fiscal years 2012 and 2013 only.

- 9 Definitions.** Increases the special education excess cost growth factor from 1.02 to 1.03 for revenue for fiscal years 2012 and 2013 only.

- 10 Open enrollment and streamlined application and enrollment process.** (f) Directs the human services commissioner, after consulting with the education commissioner, to include on all Minnesota health care program application forms, as the forms are revised or replaced, an authorization for consent from the parent of a child receiving health-related services through an individualized education program or individual family service plan to allow the district or other provider of covered services to be reimbursed by medical assistance or MinnesotaCare. Requires the authorization for consent to conform to federal data practices law and indicate that the parent may withdraw consent for the district or other provider to access information in the child's education record without any

consequence to the parent or child.

Makes this section effective July 1, 2011.

- 11 Third-party billing.** (a) To allow cost-effective billing of medical assistance for covered services that are not otherwise reimbursed by legally liable third-party private payers, directs the human services commissioner to: (1) summarize and document district efforts to secure the reimbursement; and (2) request initial and continuing federal waivers of the requirement to seek payment from a child's private health plan based on a determination by the Centers for Medicare and Medicaid Services that this requirement is not cost effective. Requires the waiver request to seek permission for the human services commissioner to allow school districts to bill Medicaid alone, without first billing private payers when a child has public and private coverage.

(b) Declares that if the Centers for Medicare and Medicaid Services do not grant ongoing permission to waive the requirement to first seek payment from a child's private health plan, then the commissioner of human services must seek permission to waive the requirement on a time-limited basis with an opportunity to renew the permission as-needed.

Makes this section effective July 1, 2011.

- 12 Appropriations.** See fiscal tracking worksheets.
- 13 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.

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 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.
- 5 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.
- 6 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.

7 **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.

8 **Appropriation.** See fiscal tracking sheets.

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 **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.

4 **Definitions.** Sets the aid payment percentage to 70 percent in fiscal years 2011 and later.

5 **Payment dates and percentages.** Requires the commissioner to accelerate a charter school's final payment adjustment (clean-up payment), pays charter schools 90 percent of the clean-up payment in July and ten percent in October instead of on the school district payment schedule that pays school districts on four dates spread out from July through October.

6 **Charter school payment dates.** Allows the board of directors of a charter school to request that the commissioner advance the aid payment schedule. Allows the commissioner to determine revised payment percentages and notify each qualifying charter school of the new aid payment percentages.

7 **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.

8 **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.

9 **Appropriations.** See fiscal tracking sheets.

10 **Repealer.** Repeals the state's ability to delay school aid payments in lieu of state short-term borrowing (§ 127A.46).

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 **Appropriations.** See fiscal tracking sheets.

Article 8: Prevention

- 1 **Community education director.** Allows a school board of a school district with fewer than 7,500 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 sheets.

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 1.01.

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 sheets.

Article 10: State Agencies

- 1 **Appropriations; Department of Education.** Reduces the state agency budget by five percent for each year of the biennium.
See fiscal tracking sheets.

- 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 sheets.

- 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 11: Forecast Adjustments

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