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# HOUSE FILE NO. 6

## *FIRST COMMITTEE ENGROSSMENT*

January 8, 2007

Authored by Greiling, Carlson, Heidgerken, Faust, Hilstrom and others  
The bill was read for the first time and referred to the Committee on Finance

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*Referred by Chair to K-12 Finance Division.*

March 27, 2007

*Returned to the Education Finance and Economic Competitiveness Finance Division as Amended.*

### A bill for an act

1.1 relating to education; providing for early childhood, family, adult, and  
1.2 prekindergarten through grade 12 education including general education,  
1.3 education excellence, special programs, facilities and technology, nutrition  
1.4 and accounting, libraries, state agencies, forecast adjustments, technical and  
1.5 conforming amendments, and pupil transportation standards; providing for task  
1.6 force and advisory group; requiring school districts to give employees who are  
1.7 veterans the option to take personal leave on Veteran's Day and encouraging  
1.8 private employers to give employees who are veterans a day off with pay on  
1.9 Veteran's Day; requiring reports; authorizing rulemaking; appropriating money;  
1.10 amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision;  
1.11 16A.152, subdivision 2; 119A.50, by adding a subdivision; 120A.22, subdivision  
1.12 7; 120B.021, subdivision 1; 120B.023, subdivision 2; 120B.024; 120B.11,  
1.13 subdivision 5; 120B.132; 120B.15; 120B.30; 120B.31, subdivision 3; 120B.36,  
1.14 subdivision 1; 121A.22, subdivisions 1, 3, 4; 122A.16; 122A.414, subdivision  
1.15 1; 122A.415, subdivision 1; 122A.60, subdivision 3; 122A.61, subdivision  
1.16 1; 122A.628, subdivision 2; 122A.72, subdivision 5; 123A.73, subdivision  
1.17 8; 123B.10, subdivision 1, by adding a subdivision; 123B.143, subdivision  
1.18 1; 123B.37, subdivision 1; 123B.53, subdivisions 1, 4, 5; 123B.54; 123B.57,  
1.19 subdivision 3; 123B.63, subdivision 3; 123B.77, subdivision 4; 123B.79,  
1.20 subdivisions 6, 8, by adding a subdivision; 123B.81, subdivisions 2, 4, 7;  
1.21 123B.83, subdivision 2; 123B.88, subdivision 12; 123B.90, subdivision 2;  
1.22 123B.92, subdivisions 1, 3, 5; 124D.095, subdivisions 2, 3, 4, 7; 124D.10,  
1.23 subdivisions 4, 23a, 24; 124D.11, subdivision 1; 124D.111, subdivision 1;  
1.24 124D.128, subdivisions 1, 2, 3; 124D.34, subdivision 7; 124D.4531; 124D.454,  
1.25 subdivisions 2, 3; 124D.59, subdivision 2; 124D.65, subdivisions 5, 11; 124D.84,  
1.26 subdivision 1; 125A.11, subdivision 1; 125A.13; 125A.14; 125A.39; 125A.42;  
1.27 125A.44; 125A.45; 125A.63, by adding a subdivision; 125A.75, subdivisions  
1.28 1, 4; 125A.76, subdivisions 1, 2, 4, 5, by adding a subdivision; 125A.79,  
1.29 subdivisions 5, 6, 8; 125B.15; 126C.01, subdivision 9, by adding subdivisions;  
1.30 126C.05, subdivisions 1, 8, 15; 126C.10, subdivisions 1, 2, 2a, 2b, 4, 13a, 18,  
1.31 24, 34, by adding a subdivision; 126C.126; 126C.13, subdivision 4; 126C.15,  
1.32 subdivision 2; 126C.17, subdivisions 6, 9; 126C.21, subdivisions 3, 5; 126C.41,  
1.33 by adding a subdivision; 126C.44; 126C.48, subdivisions 2, 7; 127A.441;  
1.34 127A.47, subdivisions 7, 8; 127A.48, by adding a subdivision; 127A.49,  
1.35 subdivisions 2, 3; 128D.11, subdivision 3; 134.31, by adding a subdivision;  
1.36 134.34, subdivision 4; 134.355, subdivision 9; 169.01, subdivision 6, by adding a  
1.37 subdivision; 169.443, by adding a subdivision; 169.447, subdivision 2; 169.4501,  
1.38 subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivisions 13, 20;

2.1 171.02, subdivisions 2, 2a; 171.321, subdivision 4; 205A.03, subdivision 1;  
 2.2 205A.06, subdivision 1a; 272.029, by adding a subdivision; 273.11, subdivision  
 2.3 1a; 273.1393; 275.065, subdivisions 1, 1a, 3; 275.07, subdivision 2; 275.08,  
 2.4 subdivision 1b; 276.04, subdivision 2; 517.08, subdivision 1c; Laws 2005, First  
 2.5 Special Session chapter 5, article 1, sections 50, subdivision 2; 54, subdivisions  
 2.6 2, as amended, 4, 5, as amended, 6, as amended, 7, as amended, 8, as amended;  
 2.7 article 2, sections 81, as amended; 84, subdivisions 2, as amended, 3, as  
 2.8 amended, 4, as amended, 6, as amended, 10, as amended; article 3, section 18,  
 2.9 subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended; article  
 2.10 4, section 25, subdivisions 2, as amended, 3, as amended; article 5, section 17,  
 2.11 subdivision 3, as amended; article 7, section 20, subdivisions 2, as amended, 3,  
 2.12 as amended, 4, as amended; article 8, section 8, subdivisions 2, as amended, 5, as  
 2.13 amended; article 9, section 4, subdivision 2; Laws 2006, chapter 263, article 3,  
 2.14 section 15; Laws 2006, chapter 282, article 2, section 28, subdivision 4; article 3,  
 2.15 section 4, subdivision 2; proposing coding for new law in Minnesota Statutes,  
 2.16 chapters 121A; 122A; 123B; 124D; 197; repealing Minnesota Statutes 2006,  
 2.17 sections 121A.23; 123A.22, subdivision 11; 123B.81, subdivision 8; 124D.06;  
 2.18 124D.081, subdivisions 1, 2, 3, 4, 5, 6, 9; 124D.454, subdivisions 4, 5, 6, 7;  
 2.19 124D.62; 125A.10; 125A.75, subdivision 6; 125A.76, subdivision 3; 169.4502,  
 2.20 subdivision 15; 169.4503, subdivisions 17, 18, 26.

2.21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

2.22 **ARTICLE 1**  
 2.23 **GENERAL EDUCATION**

2.24 Section 1. Minnesota Statutes 2006, section 16A.152, subdivision 2, is amended to  
 2.25 read:

2.26 Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general  
 2.27 fund revenues and expenditures, the commissioner of finance determines that there will be  
 2.28 a positive unrestricted budgetary general fund balance at the close of the biennium, the  
 2.29 commissioner of finance must allocate money to the following accounts and purposes in  
 2.30 priority order:

2.31 (1) the cash flow account established in subdivision 1 until that account reaches  
 2.32 \$350,000,000;

2.33 (2) the budget reserve account established in subdivision 1a until that account  
 2.34 reaches \$653,000,000;

2.35 (3) the amount necessary to increase the aid payment schedule for school district  
 2.36 aids and credits payments in section 127A.45 to not more than 90 percent rounded to the  
 2.37 nearest tenth of a percent without exceeding the amount available and with any remaining  
 2.38 funds deposited in the budget reserve; and

2.39 (4) the amount necessary to restore all or a portion of the net aid reductions under  
 2.40 section 127A.441 and to reduce the property tax revenue recognition shift under section  
 2.41 123B.75, subdivision 5, paragraph ~~(e)~~ (b), and Laws 2003, First Special Session chapter

3.1 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23,  
3.2 section 20, by the same amount.

3.3 (b) The amounts necessary to meet the requirements of this section are appropriated  
3.4 from the general fund within two weeks after the forecast is released or, in the case of  
3.5 transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations  
3.6 schedules otherwise established in statute.

3.7 (c) To the extent that a positive unrestricted budgetary general fund balance is  
3.8 projected, appropriations under this section must be made before section 16A.1522 takes  
3.9 effect.

3.10 (d) The commissioner of finance shall certify the total dollar amount of the  
3.11 reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The  
3.12 commissioner of education shall increase the aid payment percentage and reduce the  
3.13 property tax shift percentage by these amounts and apply those reductions to the current  
3.14 fiscal year and thereafter.

3.15 Sec. 2. Minnesota Statutes 2006, section 124D.11, subdivision 1, is amended to read:

3.16 Subdivision 1. **General education revenue.** (a) General education revenue must  
3.17 be paid to a charter school as though it were a district. The general education revenue  
3.18 for each adjusted marginal cost pupil unit is the state average general education revenue  
3.19 per pupil unit, plus the referendum equalization aid allowance in the pupil's district of  
3.20 residence, minus an amount equal to the product of the formula allowance according to  
3.21 section 126C.10, subdivision 2, times ~~.0485~~ .0416, calculated without basic skills revenue,  
3.22 extended time revenue, alternative teacher compensation revenue, transition revenue, and  
3.23 transportation sparsity revenue, plus basic skills revenue, extended time revenue, basic  
3.24 alternative teacher compensation aid according to section 126C.10, subdivision 34, and  
3.25 transition revenue as though the school were a school district. The general education  
3.26 revenue for each extended time marginal cost pupil unit equals \$4,378 for fiscal year 2007,  
3.27 \$4,542 for fiscal year 2008, and \$4,677 for fiscal year 2009 and later.

3.28 (b) Notwithstanding paragraph (a), for charter schools in the first year of operation,  
3.29 general education revenue shall be computed using the number of adjusted pupil units  
3.30 in the current fiscal year.

3.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

3.32 Sec. 3. Minnesota Statutes 2006, section 124D.128, subdivision 1, is amended to read:

3.33 Subdivision 1. **Program established.** A learning year program provides instruction  
3.34 throughout the year on an extended year calendar, extended school day calendar, or

4.1 both. A pupil may participate in the program and accelerate attainment of grade level  
4.2 requirements or graduation requirements. A learning year program may begin after the  
4.3 close of the regular school year in June. The program may be for students in one or more  
4.4 grade levels from kindergarten through grade 12.

4.5 Sec. 4. Minnesota Statutes 2006, section 124D.128, subdivision 2, is amended to read:

4.6 Subd. 2. **Commissioner designation.** (a) An area learning center designated by the  
4.7 state must be a site. An area learning center must provide services to students who meet  
4.8 the criteria in section 124D.68 and who are enrolled in:

4.9 (1) a district that is served by the center; or

4.10 (2) a charter school located within the geographic boundaries of a district that is  
4.11 served by the center.

4.12 (b) A school district or charter school may be approved biennially by the state to  
4.13 provide additional instructional programming that results in grade level acceleration. The  
4.14 program must be designed so that students make grade progress during the school year  
4.15 and graduate prior to the students' peers.

4.16 (c) To be designated, a district, charter school, or center must demonstrate to the  
4.17 commissioner that it will:

4.18 (1) provide a program of instruction that permits pupils to receive instruction  
4.19 throughout the entire year; and

4.20 (2) develop and maintain a separate record system that, for purposes of section  
4.21 126C.05, permits identification of membership attributable to pupils participating in the  
4.22 program. The record system and identification must ensure that the program will not  
4.23 have the effect of increasing the total ~~number of pupil units~~ average daily membership  
4.24 attributable to an individual pupil as a result of a learning year program. The record  
4.25 system must include the date the pupil originally enrolled in a learning year program, the  
4.26 pupil's grade level, the date of each grade promotion, the average daily membership  
4.27 generated in each grade level, the number of credits or standards earned, and the number  
4.28 needed to graduate.

4.29 ~~(b)~~ (d) A student who has not completed a school district's graduation requirements  
4.30 may continue to enroll in courses the student must complete in order to graduate until  
4.31 the student satisfies the district's graduation requirements or the student is 21 years old,  
4.32 whichever comes first.

4.33 Sec. 5. Minnesota Statutes 2006, section 124D.128, subdivision 3, is amended to read:

5.1 Subd. 3. **Student planning.** A district, charter school, or area learning center must  
 5.2 inform all pupils and their parents about the learning year program and that participation  
 5.3 in the program is optional. A continual learning plan must be developed at least annually  
 5.4 for each pupil with the participation of the pupil, parent or guardian, teachers, and other  
 5.5 staff; each participant must sign and date the plan. The plan must specify the learning  
 5.6 experiences that must occur during the entire fiscal year and; are necessary for grade  
 5.7 progression, or for secondary students, for graduation. The plan must include:

5.8 (1) the pupil's learning objectives and experiences, including courses or credits the  
 5.9 pupil plans to complete each year and, for a secondary pupil, the graduation requirements  
 5.10 the student must complete;

5.11 (2) the assessment measurements used to evaluate a pupil's objectives;

5.12 (3) requirements for grade level or other appropriate progression; and

5.13 (4) for pupils generating more than one average daily membership in a given grade,  
 5.14 an indication of which objectives were unmet.

5.15 The plan may be modified to conform to district schedule changes. The district may  
 5.16 not modify the plan if the modification would result in delaying the student's time of  
 5.17 graduation.

5.18 Sec. 6. Minnesota Statutes 2006, section 124D.4531, is amended to read:

5.19 **124D.4531 CAREER AND TECHNICAL ~~LEVY~~ REVENUE.**

5.20 Subdivision 1. **Career and technical levy.** (a) A district with a career and technical  
 5.21 program approved under this section for the fiscal year in which the levy is certified  
 5.22 may levy an amount equal to the lesser of:

5.23 (1) \$80 times the district's average daily membership served in grades 10 through 12  
 5.24 for the fiscal year in which the levy is certified; or

5.25 (2) 25 percent of approved expenditures in the fiscal year in which the levy is  
 5.26 certified for the following:

5.27 (i) salaries paid to essential, licensed personnel providing direct instructional  
 5.28 services to students in that fiscal year for services rendered in the district's approved  
 5.29 career and technical education programs;

5.30 (ii) contracted services provided by a public or private agency other than a Minnesota  
 5.31 school district or cooperative center under subdivision 7;

5.32 (iii) necessary travel between instructional sites by licensed career and technical  
 5.33 education personnel;

5.34 (iv) necessary travel by licensed career and technical education personnel for  
 5.35 vocational student organization activities held within the state for instructional purposes;

6.1 (v) curriculum development activities that are part of a five-year plan for  
6.2 improvement based on program assessment;

6.3 (vi) necessary travel by licensed career and technical education personnel for  
6.4 noncollegiate credit-bearing professional development; and

6.5 (vii) specialized vocational instructional supplies.

6.6 (b) The district must recognize the full amount of this levy as revenue for the fiscal  
6.7 year in which it is certified.

6.8 Subd. 1a. **Career and technical aid.** A district with a career and technical program  
6.9 approved under this section is eligible for career and technical state aid in an amount equal  
6.10 to 10 percent of approved expenditures under subdivision 1.

6.11 Subd. 1b. **Revenue uses.** Up to ten percent of a district's career and technical ~~levy~~  
6.12 revenue may be spent on equipment purchases. Districts using the career and technical  
6.13 levy revenue for equipment purchases must report to the department on the improved  
6.14 learning opportunities for students that result from the investment in equipment.

6.15 ~~(c) The district must recognize the full amount of this levy as revenue for the fiscal~~  
6.16 ~~year in which it is certified.~~

6.17 **Subd. 2. Allocation from cooperative centers and intermediate districts.** For  
6.18 purposes of this section, a cooperative center or an intermediate district must allocate its  
6.19 approved expenditures for career and technical education programs among participating  
6.20 districts.

6.21 **Subd. 3. Levy guarantee.** Notwithstanding subdivision 1, the career and technical  
6.22 education levy for a district is not less than the lesser of:

6.23 (1) the district's career and technical education levy authority for the previous  
6.24 fiscal year; or

6.25 (2) 100 percent of the approved expenditures for career and technical programs  
6.26 included in subdivision 1, paragraph ~~(b)~~ (a), for the fiscal year in which the levy is certified.

6.27 **Subd. 4. District reports.** Each district or cooperative center must report data to the  
6.28 department for all career and technical education programs as required by the department  
6.29 to implement the career and technical aid and levy formula formulas.

6.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

6.31 Sec. 7. Minnesota Statutes 2006, section 124D.59, subdivision 2, is amended to read:

6.32 **Subd. 2. Pupil of limited English proficiency.** (a) "Pupil of limited English  
6.33 proficiency" means a pupil in kindergarten through grade 12 who meets the following  
6.34 requirements:

7.1 (1) the pupil, as declared by a parent or guardian first learned a language other than  
7.2 English, comes from a home where the language usually spoken is other than English, or  
7.3 usually speaks a language other than English; and

7.4 (2) the pupil is determined by developmentally appropriate measures, which might  
7.5 include observations, teacher judgment, parent recommendations, or developmentally  
7.6 appropriate assessment instruments, to lack the necessary English skills to participate  
7.7 fully in classes taught in English.

7.8 (b) Notwithstanding paragraph (a), a pupil in grades 4 through 12 who was enrolled  
7.9 in a Minnesota public school on the dates during the previous school year when a  
7.10 commissioner provided assessment that measures the pupil's emerging academic English  
7.11 was administered, shall not be counted as a pupil of limited English proficiency in  
7.12 calculating limited English proficiency pupil units under section 126C.05, subdivision  
7.13 17, and shall not generate state limited English proficiency aid under section 124D.65,  
7.14 subdivision 5, unless the pupil scored below the state cutoff score on an assessment  
7.15 measuring emerging academic English provided by the commissioner during the previous  
7.16 school year.

7.17 (c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade 12  
7.18 shall not be counted as a pupil of limited English proficiency in calculating limited English  
7.19 proficiency pupil units under section 126C.05, subdivision 17, and shall not generate state  
7.20 limited English proficiency aid under section 124D.65, subdivision 5, if:

7.21 ~~(1)~~ the pupil is not enrolled during the current fiscal year in an educational program  
7.22 for pupils of limited English proficiency in accordance with sections 124D.58 to 124D.64;  
7.23 ~~or.~~

7.24 ~~(2) the pupil has generated five or more years of average daily membership in~~  
7.25 ~~Minnesota public schools since July 1, 1996.~~

7.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

7.27 Sec. 8. Minnesota Statutes 2006, section 124D.65, subdivision 5, is amended to read:

7.28 Subd. 5. **School district LEP revenue.** (a) The limited English proficiency  
7.29 allowance equals \$700 for fiscal year 2007, and \$815 for fiscal year 2008 and later.

7.30 (b) A district's limited English proficiency programs revenue equals the product of  
7.31 ~~(1) \$700 in fiscal year 2004 and later~~ the limited English proficiency allowance times (2)  
7.32 the greater of 20 or the adjusted marginal cost average daily membership of eligible pupils  
7.33 of limited English proficiency enrolled in the district during the current fiscal year.

8.1 ~~(b)~~ (c) A pupil ceases to generate state limited English proficiency aid in the school  
8.2 year following the school year in which the pupil attains the state cutoff score on a  
8.3 commissioner-provided assessment that measures the pupil's emerging academic English.

8.4 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

8.5 Sec. 9. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision  
8.6 to read:

8.7 **Subd. 3a. Referendum market value equalizing factor.** The referendum market  
8.8 value equalizing factor equals the quotient derived by dividing the total referendum market  
8.9 value of all school districts in the state for the year before the year the levy is certified by  
8.10 the total number of resident marginal cost pupil units in the state for the current school year.

8.11 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

8.12 Sec. 10. Minnesota Statutes 2006, section 126C.01, is amended by adding a  
8.13 subdivision to read:

8.14 **Subd. 12. Location equity index.** (a) A school district's wage equity index equals  
8.15 each district's composite wage level divided by the statewide average wage for the same  
8.16 period. The composite wage level for a school district equals the sum of 80 percent of the  
8.17 district's county wage level and 20 percent of the district's economic development region  
8.18 composite wage level. The composite wage level is computed by using the most recent  
8.19 three-year weighted wage data with the coefficient weights set at 0.5 for the most recent  
8.20 year, 0.3 for the prior year, and 0.15 for the second prior year.

8.21 (b) A school district's housing equity index equals the ratio of each district's county  
8.22 median home value to the statewide median home value.

8.23 (c) A school district's location equity index equals the greater of one, or the sum of  
8.24 (i) 0.65 times the district's wage equity index, and (ii) 0.35 times the district's housing  
8.25 equity index.

8.26 (d) The commissioner of education annually must recalculate the indexes in this  
8.27 section. For purposes of this subdivision, the commissioner must locate a school district  
8.28 with boundaries that cross county borders in the county that generates the highest location  
8.29 equity index for that district.

8.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

8.31 Sec. 11. Minnesota Statutes 2006, section 126C.05, subdivision 1, is amended to read:

9.1 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
9.2 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph  
9.3 (c), in average daily membership enrolled in the district of residence, in another district  
9.4 under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68;  
9.5 in a charter school under section 124D.10; or for whom the resident district pays tuition  
9.6 under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
9.7 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be  
9.8 counted according to this subdivision.

9.9 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
9.10 by the commissioner and has an individual education plan is counted as the ratio of the  
9.11 number of hours of assessment and education service to 825 times 1.25 with a minimum  
9.12 average daily membership of 0.28, but not more than 1.25 pupil units.

9.13 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
9.14 counted as the ratio of the number of hours of assessment service to 825 times 1.25.

9.15 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
9.16 by the commissioner is counted as the ratio of the number of hours of assessment and  
9.17 education services required in the fiscal year by the pupil's individual education program  
9.18 plan to 875, but not more than one.

9.19 (d) A kindergarten pupil who is not included in paragraph (c) is counted as ~~.557 of a~~  
9.20 ~~pupil unit for fiscal year 2000 and thereafter~~ 0.86 pupil units.

9.21 (e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal  
9.22 year 2000 and thereafter.

9.23 (f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal  
9.24 year 1995 and thereafter.

9.25 (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

9.26 (h) A pupil who is in the postsecondary enrollment options program is counted  
9.27 as 1.3 pupil units.

9.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

9.29 Sec. 12. Minnesota Statutes 2006, section 126C.05, subdivision 8, is amended to read:

9.30 Subd. 8. **Average daily membership.** (a) Membership for pupils in grades  
9.31 kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the  
9.32 number of pupils on the current roll of the school, counted from the date of entry until  
9.33 withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves  
9.34 the school or the date it is officially known that the pupil has left or has been legally  
9.35 excused. However, a pupil, regardless of age, who has been absent from school for 15

10.1 consecutive school days during the regular school year or for five consecutive school days  
10.2 during summer school or intersession classes of flexible school year programs without  
10.3 receiving instruction in the home or hospital shall be dropped from the roll and classified  
10.4 as withdrawn. Nothing in this section shall be construed as waiving the compulsory  
10.5 attendance provisions cited in section 120A.22. Average daily membership equals the  
10.6 sum for all pupils of the number of days of the school year each pupil is enrolled in the  
10.7 district's schools divided by the number of days the schools are in session. Days of  
10.8 summer school or intersession classes of flexible school year programs are only included  
10.9 in the computation of membership for pupils with a disability not appropriately served  
10.10 primarily in the regular classroom. A student must not be counted as more than ~~1.2~~ 1.5  
10.11 pupils in average daily membership under this section. When the initial total average daily  
10.12 membership exceeds ~~1.2~~ 1.5 for a pupil enrolled in more than one school district during  
10.13 the fiscal year, each district's average daily membership must be reduced proportionately.

10.14 (b) A student must not be counted as more than one pupil in average daily  
10.15 membership except for purposes of section 126C.10, subdivision 2a.

10.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

10.17 Sec. 13. Minnesota Statutes 2006, section 126C.05, subdivision 15, is amended to read:

10.18 Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning  
10.19 year program under section 124D.128, an area learning center under sections 123A.05 and  
10.20 123A.06, an alternative program approved by the commissioner, or a contract alternative  
10.21 program under section 124D.68, subdivision 3, paragraph (d), or subdivision 3a, for more  
10.22 than 1,020 hours in a school year for a secondary student, more than 935 hours in a school  
10.23 year for an elementary student more than 850 hours in a school year for a kindergarten  
10.24 student without a disability enrolled in a full-day kindergarten program in fiscal year  
10.25 2009 or later, or more than 425 hours in a school year for a half-day kindergarten student  
10.26 without a disability, that pupil may be counted as more than one pupil in average daily  
10.27 membership for purposes of section 126C.10, subdivision 2a. The amount in excess of  
10.28 one pupil must be determined by the ratio of the number of hours of instruction provided  
10.29 to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for  
10.30 a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of  
10.31 935 hours or the number of hours required for a full-time elementary pupil in the district  
10.32 to 935 for an elementary pupil in grades 1 through 6; ~~and~~ (iii) the greater of ~~425~~ 850 hours  
10.33 or the number of hours required for a full-time kindergarten student without a disability  
10.34 in the district to ~~425~~ 850 for a kindergarten student without a disability for fiscal years  
10.35 2009 and later; and (iv) the greater of 425 hours or the number of hours required for all

11.1 kindergarten pupils for fiscal year 2008 and for a half-day kindergarten student without a  
11.2 disability to 425 for a kindergarten student without a disability. Hours that occur after  
11.3 the close of the instructional year in June shall be attributable to the following fiscal year.  
11.4 A kindergarten student must not be counted as more than 1.2 pupils in average daily  
11.5 membership under this subdivision. A student in grades 1 through 12 must not be counted  
11.6 as more than ~~1.2~~ 1.5 pupils in average daily membership under this subdivision.

11.7 (b)(i) To receive general education revenue for a pupil in an alternative program  
11.8 that has an independent study component, a district must meet the requirements in this  
11.9 paragraph. The district must develop, for the pupil, a continual learning plan consistent  
11.10 with section 124D.128, subdivision 3. Each school district that has a state-approved public  
11.11 alternative program must reserve revenue in an amount equal to at least 90 percent of the  
11.12 district average general education revenue per pupil unit less compensatory revenue per  
11.13 pupil unit times the number of pupil units generated by students attending a state-approved  
11.14 public alternative program. The amount of reserved revenue available under this  
11.15 subdivision may only be spent for program costs associated with the state-approved public  
11.16 alternative program. Compensatory revenue must be allocated according to section  
11.17 126C.15, subdivision 2.

11.18 (ii) General education revenue for a pupil in an approved alternative program  
11.19 without an independent study component must be prorated for a pupil participating for  
11.20 less than a full year, or its equivalent. The district must develop a continual learning plan  
11.21 for the pupil, consistent with section 124D.128, subdivision 3. Each school district that  
11.22 has a state-approved public alternative program must reserve revenue in an amount equal  
11.23 to at least 90 percent of the district average general education revenue per pupil unit less  
11.24 compensatory revenue per pupil unit times the number of pupil units generated by students  
11.25 attending a state-approved public alternative program. The amount of reserved revenue  
11.26 available under this subdivision may only be spent for program costs associated with the  
11.27 state-approved public alternative program. Compensatory revenue must be allocated  
11.28 according to section 126C.15, subdivision 2.

11.29 (iii) General education revenue for a pupil in an approved alternative program that  
11.30 has an independent study component must be paid for each hour of teacher contact  
11.31 time and each hour of independent study time completed toward a credit or graduation  
11.32 standards necessary for graduation. Average daily membership for a pupil shall equal the  
11.33 number of hours of teacher contact time and independent study time divided by 1,020.

11.34 (iv) For an alternative program having an independent study component, the  
11.35 commissioner shall require a description of the courses in the program, the kinds of

12.1 independent study involved, the expected learning outcomes of the courses, and the means  
12.2 of measuring student performance against the expected outcomes.

12.3 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

12.4 Sec. 14. Minnesota Statutes 2006, section 126C.10, subdivision 1, is amended to read:

12.5 Subdivision 1. **General education revenue.** ~~For fiscal year 2006 and later,~~ The  
12.6 general education revenue for each district equals the sum of the district's basic revenue,  
12.7 extended time revenue, gifted and talented revenue, location equity revenue, basic skills  
12.8 revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity  
12.9 revenue, transportation sparsity revenue, total operating capital revenue, equity revenue,  
12.10 alternative teacher compensation revenue, and transition revenue.

12.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

12.12 Sec. 15. Minnesota Statutes 2006, section 126C.10, subdivision 2, is amended to read:

12.13 Subd. 2. **Basic revenue.** The basic revenue for each district equals the formula  
12.14 allowance times the adjusted marginal cost pupil units for the school year. The formula  
12.15 allowance for fiscal year ~~2005~~ 2007 is ~~\$4,601~~ \$4,974. The formula allowance for fiscal  
12.16 year ~~2006~~ 2008 is ~~\$4,783~~ \$5,125. The formula allowance for fiscal year ~~2007~~ 2009 and  
12.17 subsequent years is ~~\$4,974~~ \$5,280.

12.18 Sec. 16. Minnesota Statutes 2006, section 126C.10, subdivision 2a, is amended to read:

12.19 Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue is  
12.20 equal to the product of ~~\$4,601~~ the extended time allowance and the sum of the adjusted  
12.21 marginal cost pupil units of the district for each pupil in average daily membership in  
12.22 excess of 1.0 and less than ~~1.2~~ 1.5 according to section 126C.05, subdivision 8. The  
12.23 extended time allowance is \$4,601 for fiscal year 2007, \$4,740 for fiscal year 2008, and  
12.24 \$4,880 for fiscal year 2009 and subsequent years.

12.25 (b) A school district's extended time revenue may be used for extended day  
12.26 programs, extended week programs, summer school, ~~and~~ other programming authorized  
12.27 under the learning year program, and for additional pupil transportation costs attributable  
12.28 to these programs. Not more than five percent of the extended time revenue may be used  
12.29 for administrative and oversight services.

12.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

12.31 Sec. 17. Minnesota Statutes 2006, section 126C.10, subdivision 2b, is amended to read:

13.1 Subd. 2b. **Gifted and talented revenue.** Gifted and talented revenue for each  
 13.2 district equals ~~\$4 times~~ the district's adjusted marginal cost pupil units for ~~fiscal year 2006~~  
 13.3 ~~and \$9 for fiscal year 2007 and later~~ that school year times \$13 for fiscal year 2008 and  
 13.4 later. A school district must reserve gifted and talented revenue and, consistent with  
 13.5 section 120B.15, must spend the revenue only to:

- 13.6 (1) identify gifted and talented students;
- 13.7 (2) provide education programs for gifted and talented students; or
- 13.8 (3) provide staff development to prepare teachers to best meet the unique needs  
 13.9 of gifted and talented students.

13.10 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

13.11 Sec. 18. Minnesota Statutes 2006, section 126C.10, is amended by adding a  
 13.12 subdivision to read:

13.13 **Subd. 2c. Location equity revenue.** (a) A school district's location equity revenue  
 13.14 equals the product of:

- 13.15 (1) the basic formula allowance for that year;
- 13.16 (2) the district's adjusted marginal cost pupil units for that year; and
- 13.17 (3) the district's location equity index minus one.
- 13.18 (b) The total annual revenue for this subdivision must not exceed \$500,000.

13.19 (c) If the revenue required under paragraph (b) is insufficient to fund the formula in  
 13.20 paragraph (a), the commissioner of education must proportionately reduce each district's  
 13.21 aid payment.

13.22 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

13.23 Sec. 19. Minnesota Statutes 2006, section 126C.10, subdivision 4, is amended to read:

13.24 Subd. 4. **Basic skills revenue.** A school district's basic skills revenue equals the  
 13.25 sum of:

- 13.26 (1) compensatory revenue under subdivision 3; plus
- 13.27 (2) limited English proficiency revenue under section 124D.65, subdivision 5; ~~plus~~
- 13.28 ~~(3) \$250 times the limited English proficiency pupil units under section 126C.05;~~  
 13.29 ~~subdivision 17.~~

13.30 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

13.31 Sec. 20. Minnesota Statutes 2006, section 126C.10, subdivision 13a, is amended to  
 13.32 read:

14.1 Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal  
 14.2 year 2007 and later, a district may levy an amount not more than the product of its  
 14.3 operating capital revenue for the fiscal year times the lesser of one or the ratio of its  
 14.4 adjusted net tax capacity per adjusted marginal cost pupil unit to the operating capital  
 14.5 equalizing factor. The operating capital equalizing factor equals ~~\$22,222 for fiscal year~~  
 14.6 ~~2006, and~~ \$10,700 for fiscal year ~~2007~~ 2008 and \$33,000 for fiscal year 2009 and later.

14.7 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

14.8 Sec. 21. Minnesota Statutes 2006, section 126C.10, subdivision 18, is amended to read:

14.9 Subd. 18. **Transportation sparsity revenue allowance.** (a) A district's  
 14.10 transportation sparsity allowance equals the greater of zero or the result of the following  
 14.11 computation:

14.12 (i) Multiply the formula allowance according to subdivision 2, by ~~.1469~~ .1493.

14.13 (ii) Multiply the result in clause (i) by the district's sparsity index raised to the  
 14.14 ~~26/100~~ 30/100 power.

14.15 (iii) Multiply the result in clause (ii) by the district's density index raised to the  
 14.16 ~~13/100~~ 15/100 power.

14.17 (iv) Multiply the formula allowance according to subdivision 2, by ~~.0485~~ .0416.

14.18 (v) Subtract the result in clause (iv) from the result in clause (iii).

14.19 (b) Transportation sparsity revenue is equal to the transportation sparsity allowance  
 14.20 times the adjusted marginal cost pupil units.

14.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

14.22 Sec. 22. Minnesota Statutes 2006, section 126C.10, subdivision 24, is amended to read:

14.23 Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

14.24 (1) the school district's adjusted marginal cost pupil unit amount of basic revenue,  
 14.25 supplemental revenue, transition revenue, and referendum revenue is less than the value of  
 14.26 the school district at or immediately above the 95th percentile of school districts in its  
 14.27 equity region for those revenue categories; and

14.28 (2) the school district's administrative offices are not located in a city of the first  
 14.29 class on July 1, 1999.

14.30 (b) Equity revenue for a qualifying district that receives referendum revenue under  
 14.31 section 126C.17, subdivision 4, equals the product of (1) the district's adjusted marginal  
 14.32 cost pupil units for that year; times (2) the sum of (i) \$13, plus (ii) \$75, times the school  
 14.33 district's equity index computed under subdivision 27.

15.1 (c) Equity revenue for a qualifying district that does not receive referendum revenue  
 15.2 under section 126C.17, subdivision 4, equals the product of the district's adjusted marginal  
 15.3 cost pupil units for that year times \$13.

15.4 (d) A school district's equity revenue is increased by the greater of zero or an amount  
 15.5 equal to the district's resident marginal cost pupil units times the difference between ten  
 15.6 percent of the statewide average amount of referendum revenue per resident marginal cost  
 15.7 pupil unit for that year and the district's referendum revenue per resident marginal cost  
 15.8 pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for  
 15.9 that year.

15.10 (e) A school district's equity revenue for a school district located in the metro equity  
 15.11 region equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

15.12 (f) For fiscal year 2007 and later, notwithstanding paragraph (a), clause (2), a school  
 15.13 district that has per pupil referendum revenue below the 95th percentile qualifies for  
 15.14 additional equity revenue equal to \$46 times its adjusted marginal cost pupil unit.

15.15 (g) A district that does not qualify for revenue under paragraph (f) qualifies for  
 15.16 equity revenue equal to ~~one-half of the per pupil allowance in paragraph (f)~~ \$46 times its  
 15.17 adjusted marginal cost pupil units.

15.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

15.19 Sec. 23. Minnesota Statutes 2006, section 126C.126, is amended to read:

15.20 **126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR**  
 15.21 **~~ALL-DAY KINDERGARTEN~~ EARLY EDUCATION PROGRAMS.**

15.22 (a) In order to provide additional revenue for ~~an optional all-day kindergarten~~  
 15.23 ~~program~~ early education programs including school readiness and early childhood family  
 15.24 education, a district may reallocate general education revenue attributable to 12th grade  
 15.25 students who have graduated early under section 120B.07.

15.26 (b) A school district may spend general education revenue on extended time  
 15.27 kindergarten and prekindergarten programs.

15.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

15.29 Sec. 24. Minnesota Statutes 2006, section 126C.13, subdivision 4, is amended to read:

15.30 Subd. 4. **General education aid.** ~~(a) For fiscal year 2006, a district's general~~  
 15.31 ~~education aid is the sum of the following amounts:~~

15.32 ~~(1) general education revenue, excluding equity revenue, total operating capital, and~~  
 15.33 ~~transition revenue;~~

- 16.1 ~~(2) operating capital aid according to section 126C.10, subdivision 13b;~~
- 16.2 ~~(3) equity aid according to section 126C.10, subdivision 30;~~
- 16.3 ~~(4) transition aid according to section 126C.10, subdivision 33;~~
- 16.4 ~~(5) shared time aid according to section 126C.01, subdivision 7;~~
- 16.5 ~~(6) referendum aid according to section 126C.17; and~~
- 16.6 ~~(7) online learning aid according to section 124D.096.~~

16.7 ~~(b)~~ For fiscal year ~~2007~~ 2008 and later, a district's general education aid is the sum of  
 16.8 the following amounts:

- 16.9 (1) general education revenue, excluding equity revenue, total operating capital  
 16.10 revenue, alternative teacher compensation revenue, and transition revenue;
- 16.11 (2) operating capital aid under section 126C.10, subdivision 13b;
- 16.12 (3) equity aid under section 126C.10, subdivision 30;
- 16.13 (4) alternative teacher compensation aid under section 126C.10, subdivision 36;
- 16.14 (5) transition aid under section 126C.10, subdivision 33;
- 16.15 (6) shared time aid under section 126C.01, subdivision 7;
- 16.16 (7) referendum aid under section 126C.17, subdivisions 7 and 7a; and
- 16.17 (8) online learning aid according to section 124D.096.

16.18 Sec. 25. Minnesota Statutes 2006, section 126C.15, subdivision 2, is amended to read:

16.19 Subd. 2. **Building allocation.** (a) A district must allocate its compensatory revenue  
 16.20 to each school building in the district where the children who have generated the revenue  
 16.21 are served unless the school district has received permission under Laws 2005, First  
 16.22 Special Session chapter 5, article 1, section 50 to allocate compensatory revenue according  
 16.23 to student performance measures developed by the school board.

16.24 (b) Notwithstanding paragraph (a), a district may allocate up to five percent of the  
 16.25 amount of compensatory revenue that the district receives to school sites according to a  
 16.26 plan adopted by the school board. The money reallocated under this paragraph must be  
 16.27 spent for the purposes listed in subdivision 1, but may be spent on students in any grade,  
 16.28 including students attending school readiness or other prekindergarten programs.

16.29 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
 16.30 means education site as defined in section 123B.04, subdivision 1.

16.31 (d) If the pupil is served at a site other than one owned and operated by the district,  
 16.32 the revenue shall be paid to the district and used for services for pupils who generate the  
 16.33 revenue.

16.34 **EFFECTIVE DATE.** This section is effective July 1, 2007.

17.1 Sec. 26. Minnesota Statutes 2006, section 126C.17, subdivision 6, is amended to read:

17.2 Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~

17.3 A district's referendum equalization levy equals the sum of the first tier referendum  
17.4 equalization levy and the second tier referendum equalization levy.

17.5 (b) A district's first tier referendum equalization levy equals the district's first tier  
17.6 referendum equalization revenue times the lesser of one or the ratio of the district's  
17.7 referendum market value per resident marginal cost pupil unit to ~~\$476,000~~ 120 percent of  
17.8 the referendum market value equalizing factor.

17.9 (c) A district's second tier referendum equalization levy equals the district's second  
17.10 tier referendum equalization revenue times the lesser of one or the ratio of the district's  
17.11 referendum market value per resident marginal cost pupil unit to ~~\$270,000~~ 60 percent of  
17.12 the referendum market value equalizing factor.

17.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

17.14 Sec. 27. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

17.15 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
17.16 subdivision 1, may be increased in the amount approved by the voters of the district at a  
17.17 referendum called for the purpose. The referendum may be called by the board or shall be  
17.18 called by the board upon written petition of qualified voters of the district. The referendum  
17.19 must be conducted one or two calendar years before the increased levy authority, if  
17.20 approved, first becomes payable. Only one election to approve an increase may be held  
17.21 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the  
17.22 referendum must be held on the first Tuesday after the first Monday in November. The  
17.23 ballot must state the maximum amount of the increased revenue per resident marginal cost  
17.24 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue  
17.25 per resident marginal cost pupil unit that differs from year to year over the number of  
17.26 years for which the increased revenue is authorized or may state that the amount shall  
17.27 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the  
17.28 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may  
17.29 state that existing referendum levy authority is expiring. In this case, the ballot may also  
17.30 compare the proposed levy authority to the existing expiring levy authority, and express  
17.31 the proposed increase as the amount, if any, over the expiring referendum levy authority.  
17.32 The ballot must designate the specific number of years, not to exceed ten, for which the  
17.33 referendum authorization applies. The ballot, including a ballot on the question to revoke  
17.34 or reduce the increased revenue amount under paragraph (c), must abbreviate the term

18.1 "per resident marginal cost pupil unit" as "per pupil." The notice required under section  
 18.2 275.60 may be modified to read, in cases of renewing existing levies:

18.3 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE~~  
 18.4 ~~VOTING FOR A PROPERTY TAX INCREASE~~ ARE RENEWING AN  
 18.5 EXISTING REFERENDUM. YOU ARE NOT RAISING YOUR OPERATING  
 18.6 REFERENDUM TAX RATE FROM ITS LEVEL IN THE PREVIOUS YEAR."

18.7 The ballot may contain a textual portion with the information required in this  
 18.8 subdivision and a question stating substantially the following:

18.9 "Shall the increase in the revenue proposed by (petition to) the board of .....,  
 18.10 School District No. ..., be approved?"

18.11 If approved, an amount equal to the approved revenue per resident marginal cost  
 18.12 pupil unit times the resident marginal cost pupil units for the school year beginning in  
 18.13 the year after the levy is certified shall be authorized for certification for the number of  
 18.14 years approved, if applicable, or until revoked or reduced by the voters of the district at a  
 18.15 subsequent referendum.

18.16 (b) The board must prepare and deliver by first class mail at least 15 days but no more  
 18.17 than 30 days before the day of the referendum to each taxpayer a notice of the referendum  
 18.18 and the proposed revenue increase. The board need not mail more than one notice to any  
 18.19 taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be  
 18.20 those shown to be owners on the records of the county auditor or, in any county where  
 18.21 tax statements are mailed by the county treasurer, on the records of the county treasurer.  
 18.22 Every property owner whose name does not appear on the records of the county auditor  
 18.23 or the county treasurer is deemed to have waived this mailed notice unless the owner  
 18.24 has requested in writing that the county auditor or county treasurer, as the case may be,  
 18.25 include the name on the records for this purpose. The notice must project the anticipated  
 18.26 amount of tax increase in annual dollars for typical residential homesteads, agricultural  
 18.27 homesteads, apartments, and commercial-industrial property within the school district.

18.28 The notice for a referendum may state that an existing referendum levy is expiring  
 18.29 and project the anticipated amount of increase over the existing referendum levy in  
 18.30 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
 18.31 homesteads, apartments, and commercial-industrial property within the district.

18.32 The notice must include the following statement: "Passage of this referendum will  
 18.33 result in an increase in your property taxes." However, in cases of renewing existing  
 18.34 levies, the notice may include the following statement: "Passage of this referendum may  
 18.35 result in an increase in your property taxes."

19.1 (c) A referendum on the question of revoking or reducing the increased revenue  
19.2 amount authorized pursuant to paragraph (a) may be called by the board and shall be called  
19.3 by the board upon the written petition of qualified voters of the district. A referendum to  
19.4 revoke or reduce the revenue amount must state the amount per resident marginal cost  
19.5 pupil unit by which the authority is to be reduced. Revenue authority approved by the  
19.6 voters of the district pursuant to paragraph (a) must be available to the school district at  
19.7 least once before it is subject to a referendum on its revocation or reduction for subsequent  
19.8 years. Only one revocation or reduction referendum may be held to revoke or reduce  
19.9 referendum revenue for any specific year and for years thereafter.

19.10 (d) A petition authorized by paragraph (a) or (c) is effective if signed by a number of  
19.11 qualified voters in excess of 15 percent of the registered voters of the district on the day  
19.12 the petition is filed with the board. A referendum invoked by petition must be held on the  
19.13 date specified in paragraph (a).

19.14 (e) The approval of 50 percent plus one of those voting on the question is required to  
19.15 pass a referendum authorized by this subdivision.

19.16 (f) At least 15 days before the day of the referendum, the district must submit a  
19.17 copy of the notice required under paragraph (b) to the commissioner and to the county  
19.18 auditor of each county in which the district is located. Within 15 days after the results  
19.19 of the referendum have been certified by the board, or in the case of a recount, the  
19.20 certification of the results of the recount by the canvassing board, the district must notify  
19.21 the commissioner of the results of the referendum.

19.22 **EFFECTIVE DATE.** This section is effective for elections conducted on or after  
19.23 July 1, 2007.

19.24 Sec. 28. Minnesota Statutes 2006, section 126C.21, subdivision 3, is amended to read:

19.25 Subd. 3. **County apportionment deduction.** Each year the amount of money  
19.26 apportioned to a district for that year pursuant to ~~section~~ sections 127A.34, subdivision 2,  
19.27 and 272.029, subdivision 6, must be deducted from the general education aid earned by  
19.28 that district for the same year or from aid earned from other state sources.

19.29 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

19.30 Sec. 29. Minnesota Statutes 2006, section 126C.21, subdivision 5, is amended to read:

19.31 Subd. 5. **Adjustment for failure to meet federal maintenance of effort.** (a) The  
19.32 general education aid paid to a school district or charter school that failed to meet federal

20.1 special education maintenance of effort for the previous fiscal year must be reduced by the  
20.2 amount that must be paid to the federal government due to the shortfall.

20.3 (b) The general education aid paid to school districts that were members of a  
20.4 cooperative that failed to meet federal special education maintenance of effort must be  
20.5 reduced by the amount that must be paid to the federal government due to the shortfall.  
20.6 The commissioner must apportion the aid reduction amount to the member school districts  
20.7 based on each district's individual shortfall in maintaining effort, and on each member  
20.8 district's proportionate share of any shortfall in expenditures made by the cooperative.  
20.9 Each district's proportionate share of shortfall in expenditures made by the cooperative  
20.10 must be calculated using the adjusted marginal pupil units of each member school district.

20.11 (c) The amounts recovered under this subdivision shall be paid to the federal  
20.12 government to meet the state's obligations resulting from the district's ~~or~~ charter school's,  
20.13 or cooperative's failure to meet federal special education maintenance of effort.

20.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.15 Sec. 30. Minnesota Statutes 2006, section 126C.44, is amended to read:

20.16 **126C.44 SAFE SCHOOLS LEVY.**

20.17 (a) Each district may make a levy on all taxable property located within the district  
20.18 for the purposes specified in this section. The maximum amount which may be levied for  
20.19 all costs under this section shall be equal to ~~\$27~~ \$30 multiplied by the district's adjusted  
20.20 marginal cost pupil units for the school year. The proceeds of the levy must be reserved  
20.21 and used for directly funding the following purposes or for reimbursing the cities and  
20.22 counties who contract with the district for the following purposes: (1) to pay the costs  
20.23 incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for  
20.24 liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention  
20.25 program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary  
20.26 schools; (3) to pay the costs for a gang resistance education training curriculum in the  
20.27 district's schools; (4) to pay the costs for security in the district's schools and on school  
20.28 property; ~~or~~ (5) to pay the costs for other crime prevention, drug abuse, student and staff  
20.29 safety, suicide prevention tools, and violence prevention measures taken by the school  
20.30 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
20.31 school social workers, licensed school psychologists, and licensed alcohol and chemical  
20.32 dependency counselors to help provide early responses to problems. For expenditures  
20.33 under clause (1), the district must initially attempt to contract for services to be provided  
20.34 by peace officers or sheriffs with the police department of each city or the sheriff's

21.1 department of the county within the district containing the school receiving the services. If  
21.2 a local police department or a county sheriff's department does not wish to provide the  
21.3 necessary services, the district may contract for these services with any other police or  
21.4 sheriff's department located entirely or partially within the school district's boundaries.

21.5 (b) A school district that is a member of an intermediate school district may  
21.6 include in its authority under this section the costs associated with safe schools activities  
21.7 authorized under paragraph (a) for intermediate school district programs. This authority  
21.8 must not exceed \$5 times the adjusted marginal cost pupil units of the member districts.  
21.9 This authority is in addition to any other authority authorized under this section. Revenue  
21.10 raised under this paragraph must be transferred to the intermediate school district.

21.11 (c) If a school district spends safe schools levy proceeds under paragraph (a), clause  
21.12 (6), the district must annually certify that its total spending on services provided by the  
21.13 employees listed in paragraph (a), clause (6), is not less than the sum of its expenditures  
21.14 for these purposes in the previous year plus the amount spent under this section.

21.15 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

21.16 Sec. 31. Minnesota Statutes 2006, section 127A.441, is amended to read:

21.17 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

21.18 Each year, the state aids payable to any school district for that fiscal year that are  
21.19 recognized as revenue in the school district's general and community service funds shall  
21.20 be adjusted by an amount equal to (1) the amount the district recognized as revenue for the  
21.21 prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b) ~~or (c)~~, minus (2)  
21.22 the amount the district recognized as revenue for the current fiscal year pursuant to section  
21.23 123B.75, subdivision 5, paragraph ~~(c)~~ (b). For purposes of making the aid adjustments  
21.24 under this section, the amount the district recognizes as revenue for either the prior fiscal  
21.25 year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b)  
21.26 ~~or (c)~~, shall not include any amount levied pursuant to section 124D.86, subdivision 4,  
21.27 for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1),  
21.28 (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43,  
21.29 subdivision 2; 126C.457; and 126C.48, subdivision 6. Payment from the permanent  
21.30 school fund shall not be adjusted pursuant to this section. The school district shall be  
21.31 notified of the amount of the adjustment made to each payment pursuant to this section.

21.32 Sec. 32. Minnesota Statutes 2006, section 127A.47, subdivision 7, is amended to read:

22.1 Subd. 7. **Alternative attendance programs.** The general education aid and special  
22.2 education aid for districts must be adjusted for each pupil attending a nonresident district  
22.3 under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, and 124D.68. The  
22.4 adjustments must be made according to this subdivision.

22.5 (a) General education aid paid to a resident district must be reduced by an amount  
22.6 equal to the referendum equalization aid attributable to the pupil in the resident district.

22.7 (b) General education aid paid to a district serving a pupil in programs listed in this  
22.8 subdivision must be increased by an amount equal to the greater of (1) the referendum  
22.9 equalization aid attributable to the pupil in the nonresident district; or (2) the product of  
22.10 the district's open enrollment concentration index, the maximum amount of referendum  
22.11 revenue in the first tier, and the district's net open enrollment pupil units for that year. A  
22.12 district's open enrollment concentration index equals the greater of: (i) zero, or (ii) the  
22.13 lesser of 1.0, or the difference between the district's ratio of open enrollment pupil units  
22.14 served to its resident pupil units for that year and 0.2. This clause does not apply to a  
22.15 school district where more than 50 percent of the open enrollment students are enrolled  
22.16 solely in online learning courses.

22.17 (c) If the amount of the reduction to be made from the general education aid of the  
22.18 resident district is greater than the amount of general education aid otherwise due the  
22.19 district, the excess reduction must be made from other state aids due the district.

22.20 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
22.21 area learning center, operated according to paragraph (f), providing special instruction and  
22.22 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
22.23 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
22.24 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
22.25 including a proportionate amount for special transportation and unreimbursed building  
22.26 lease and debt service costs for facilities used primarily for special education, minus (2)  
22.27 if the pupil receives special instruction and services outside the regular classroom for  
22.28 more than 60 percent of the school day, the amount of general education revenue and  
22.29 referendum aid attributable to that pupil for the portion of time the pupil receives special  
22.30 instruction and services outside of the regular classroom, excluding portions attributable to  
22.31 district and school administration, district support services, operations and maintenance,  
22.32 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
22.33 to that pupil, that is received by the district providing special instruction and services. For  
22.34 purposes of this paragraph, general education revenue and referendum aid attributable to a  
22.35 pupil must be calculated using the serving district's average general education revenue  
22.36 and referendum aid per adjusted pupil unit.

23.1 (e) For fiscal year 2007 and later, special education aid paid to a resident district  
23.2 must be reduced by an amount equal to (1) the actual cost of providing special instruction  
23.3 and services, including special transportation and unreimbursed building lease and debt  
23.4 service costs for facilities used primarily for special education, for a pupil with a disability,  
23.5 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled  
23.6 in a program listed in this subdivision, minus (2) if the pupil receives special instruction  
23.7 and services outside the regular classroom for more than 60 percent of the school day,  
23.8 the amount of general education revenue and referendum aid attributable to that pupil  
23.9 for the portion of time the pupil receives special instruction and services outside of the  
23.10 regular classroom, excluding portions attributable to district and school administration,  
23.11 district support services, operations and maintenance, capital expenditures, and pupil  
23.12 transportation, minus (3) special education aid attributable to that pupil, that is received  
23.13 by the district providing special instruction and services. For purposes of this paragraph,  
23.14 general education revenue and referendum aid attributable to a pupil must be calculated  
23.15 using the serving district's average general education revenue and referendum aid per  
23.16 adjusted pupil unit. Special education aid paid to the district or cooperative providing  
23.17 special instruction and services for the pupil, or to the fiscal agent district for a cooperative,  
23.18 must be increased by the amount of the reduction in the aid paid to the resident district. If  
23.19 the resident district's special education aid is insufficient to make the full adjustment, the  
23.20 remaining adjustment shall be made to other state aids due to the district.

23.21 (f) An area learning center operated by a service cooperative, intermediate district,  
23.22 education district, or a joint powers cooperative may elect through the action of the  
23.23 constituent boards to charge the resident district tuition for pupils rather than to have the  
23.24 general education revenue paid to a fiscal agent school district. Except as provided in  
23.25 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent  
23.26 of the district average general education revenue per pupil unit minus an amount equal to  
23.27 the product of the formula allowance according to section 126C.10, subdivision 2, times  
23.28 .0485, calculated without basic skills revenue and transportation sparsity revenue, times  
23.29 the number of pupil units for pupils attending the area learning center, plus the amount of  
23.30 compensatory revenue generated by pupils attending the area learning center.

23.31 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

23.32 Sec. 33. Minnesota Statutes 2006, section 127A.47, subdivision 8, is amended to read:

23.33 Subd. 8. **Charter schools.** (a) The general education aid for districts must be  
23.34 adjusted for each pupil attending a charter school under section 124D.10. The adjustments  
23.35 must be made according to this subdivision.

24.1 (b) General education aid paid to a district in which a charter school not providing  
 24.2 transportation according to section 124D.10, subdivision 16, is located must be increased  
 24.3 by an amount equal to the sum of:

24.4 (1) the product of: (i) the sum of an amount equal to the product of the formula  
 24.5 allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0416, plus the  
 24.6 transportation sparsity allowance for the district; times (ii) the adjusted marginal cost  
 24.7 pupil units attributable to the pupil; plus

24.8 (2) the product of \$223 ~~and~~ for fiscal year 2007, \$198 for fiscal year 2008, and  
 24.9 \$203 for fiscal year 2009 and later, times the extended time marginal cost pupil units  
 24.10 attributable to the pupil.

24.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

24.12 Sec. 34. Minnesota Statutes 2006, section 127A.49, subdivision 2, is amended to read:

24.13 Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86,  
 24.14 375.192, or otherwise, the net tax capacity or referendum market value of any district for  
 24.15 any taxable year is changed after the taxes for that year have been spread by the county  
 24.16 auditor and the local tax rate as determined by the county auditor based upon the original  
 24.17 net tax capacity is applied upon the changed net tax capacities, the county auditor shall,  
 24.18 prior to February 1 of each year, certify to the commissioner of education the amount of  
 24.19 any resulting net revenue loss that accrued to the district during the preceding year. Each  
 24.20 year, the commissioner shall pay an abatement adjustment to the district in an amount  
 24.21 calculated according to the provisions of this subdivision. This amount shall be deducted  
 24.22 from the amount of the levy authorized by section 126C.46. The amount of the abatement  
 24.23 adjustment must be the product of:

24.24 (1) the net revenue loss as certified by the county auditor, times

24.25 (2) the ratio of:

24.26 (i) the sum of the amounts of the district's certified levy in the third preceding year  
 24.27 according to the following:

24.28 (A) section 123B.57, if the district received health and safety aid according to that  
 24.29 section for the second preceding year;

24.30 (B) section 124D.20, if the district received aid for community education programs  
 24.31 according to that section for the second preceding year;

24.32 (C) section 124D.135, subdivision 3, if the district received early childhood family  
 24.33 education aid according to section 124D.135 for the second preceding year; ~~and~~

24.34 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
 24.35 aid according to that section for the second preceding year;

- 25.1 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
 25.2 according to section 126C.10, subdivision 13b, in the second preceding year;
- 25.3 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
 25.4 section 126C.10, subdivision 30, in the second preceding year;
- 25.5 (G) section 126C.10, subdivision 32, if the district received transition aid according  
 25.6 to section 126C.10, subdivision 33, in the second preceding year;
- 25.7 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
 25.8 aid according to section 123B.53, subdivision 6, in the second preceding year;
- 25.9 (I) section 124D.22, subdivision 3, if the district received school-age care aid  
 25.10 according to section 124D.22, subdivision 4, in the second preceding year;
- 25.11 (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid  
 25.12 according to section 123B.591, subdivision 4, in the second preceding year; and
- 25.13 (K) section 126C.10, subdivision 35, if the district received alternative teacher  
 25.14 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
 25.15 (a), in the second preceding year; to
- 25.16 (ii) the total amount of the district's certified levy in the third preceding December,  
 25.17 plus or minus auditor's adjustments.

25.18 Sec. 35. Minnesota Statutes 2006, section 127A.49, subdivision 3, is amended to read:

25.19 Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a  
 25.20 district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon  
 25.21 decertification of a tax increment district, the school district's aid and levy limitations  
 25.22 must be adjusted for the fiscal year in which the excess tax increment is paid under the  
 25.23 provisions of this subdivision.

25.24 (b) An amount must be subtracted from the district's aid for the current fiscal year  
 25.25 equal to the product of:

25.26 (1) the amount of the payment of excess tax increment to the district, times

25.27 (2) the ratio of:

25.28 (i) the sum of the amounts of the district's certified levy for the fiscal year in which  
 25.29 the excess tax increment is paid according to the following:

25.30 (A) section 123B.57, if the district received health and safety aid according to that  
 25.31 section for the second preceding year;

25.32 (B) section 124D.20, if the district received aid for community education programs  
 25.33 according to that section for the second preceding year;

25.34 (C) section 124D.135, subdivision 3, if the district received early childhood family  
 25.35 education aid according to section 124D.135 for the second preceding year; ~~and~~

26.1 (D) section 126C.17, subdivision 6, if the district received referendum equalization  
26.2 aid according to that section for the second preceding year;

26.3 (E) section 126C.10, subdivision 13a, if the district received operating capital aid  
26.4 according to section 126C.10, subdivision 13b, in the second preceding year;

26.5 (F) section 126C.10, subdivision 29, if the district received equity aid according to  
26.6 section 126C.10, subdivision 30, in the second preceding year;

26.7 (G) section 126C.10, subdivision 32, if the district received transition aid according  
26.8 to section 126C.10, subdivision 33, in the second preceding year;

26.9 (H) section 123B.53, subdivision 5, if the district received debt service equalization  
26.10 aid according to section 123B.53, subdivision 6, in the second preceding year;

26.11 (I) section 124D.22, subdivision 3, if the district received school-age care aid  
26.12 according to section 124D.22, subdivision 4, in the second preceding year;

26.13 (J) section 123B.591, subdivision 3, if the district received deferred maintenance aid  
26.14 according to section 123B.591, subdivision 4, in the second preceding year; and

26.15 (K) section 126C.10, subdivision 35, if the district received alternative teacher  
26.16 compensation equalization aid according to section 126C.10, subdivision 36, paragraph  
26.17 (a), in the second preceding year; to

26.18 (ii) the total amount of the district's certified levy for the fiscal year, plus or minus  
26.19 auditor's adjustments.

26.20 (c) An amount must be subtracted from the school district's levy limitation for the  
26.21 next levy certified equal to the difference between:

26.22 (1) the amount of the distribution of excess increment; and

26.23 (2) the amount subtracted from aid pursuant to clause (a).

26.24 If the aid and levy reductions required by this subdivision cannot be made to the aid  
26.25 for the fiscal year specified or to the levy specified, the reductions must be made from  
26.26 aid for subsequent fiscal years, and from subsequent levies. The school district must use  
26.27 the payment of excess tax increment to replace the aid and levy revenue reduced under  
26.28 this subdivision.

26.29 (d) This subdivision applies only to the total amount of excess increments received  
26.30 by a district for a calendar year that exceeds \$25,000.

26.31 Sec. 36. Minnesota Statutes 2006, section 272.029, is amended by adding a subdivision  
26.32 to read:

26.33 Subd. 6a. **Report to commissioner of education.** The county auditor, on the first  
26.34 Wednesday after such settlement, shall report to the commissioner the amount distributed  
26.35 to each school district under subdivision 6.

27.1 **EFFECTIVE DATE.** This section is effective July 1, 2008, for settlements made  
 27.2 during fiscal year 2009.

27.3 Sec. 37. Laws 2005, First Special Session chapter 5, article 1, section 50, subdivision  
 27.4 2, is amended to read:

27.5 Subd. 2. **Application process.** Independent School Districts Nos. 11,  
 27.6 Anoka-Hennepin; 279, Osseo; 281, Robbinsdale; 286, Brooklyn Center; 535, Rochester;  
 27.7 and 833, South Washington may submit an application to the commissioner of education  
 27.8 ~~by August 15, 2005~~, for a plan to allocate compensatory revenue to school sites based  
 27.9 on student performance. The application must include a written resolution approved by  
 27.10 the school board that: (1) identifies the test results that will be used to assess student  
 27.11 performance; (2) describes the method for distribution of compensatory revenue to the  
 27.12 school sites; and (3) summarizes the evaluation procedure the district will use to determine  
 27.13 if the redistribution of compensatory revenue improves overall student performance. The  
 27.14 application must be submitted in the form and manner specified by the commissioner. The  
 27.15 commissioner must notify the selected school districts ~~by September 1, 2005~~ within 90  
 27.16 days of receipt of their application.

27.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

27.18 Sec. 38. Laws 2006, chapter 282, article 3, section 4, subdivision 2, is amended to read:

27.19 Subd. 2. **Onetime energy assistance aid.** For onetime energy assistance aid under  
 27.20 section 3:

27.21			<del>2007</del>
27.22	\$ 3,495,000	.....	<u>2006</u>

27.23 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 27.24 and applies retroactively to fiscal year 2006.

27.25 Sec. 39. **SCHOOL FINANCE REFORM; TASK FORCE ESTABLISHED.**

27.26 Subdivision 1. Task force established. A School Finance Reform Task Force  
 27.27 is established.

27.28 Subd. 2. Task force goals. The goals of the School Finance Reform Task Force  
 27.29 include:

27.30 (1) creating a standard and index to ensure that the formula remains adequate over  
 27.31 time;

27.32 (2) simplifying the remaining school formulas;

28.1 (3) analyzing categorical funding formulas, including but not limited to pupil  
 28.2 transportation, compensatory revenue, and limited English proficiency revenue;  
 28.3 (4) establishing a schedule for implementation of the other new formulas; and  
 28.4 (5) examining the role of the regional delivery structure including the functions  
 28.5 performed by intermediate school districts, service cooperatives, education districts, and  
 28.6 other cooperative organizations.

28.7 Subd. 3. **Task force members.** The task force consists of nine members.  
 28.8 Membership includes the commissioner of education, four members appointed according  
 28.9 to the rules of the senate by the Senate Committee on Rules and Administration  
 28.10 Subcommittee on Committees, and four members appointed by the speaker of the house.

28.11 Subd. 4. **Task force recommendations.** The task force must submit a report to the  
 28.12 education committees of the legislature by January 15, 2008, describing the formula  
 28.13 recommendations according to the goals it has established.

28.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

28.15 Sec. 40. **CHARTER SCHOOL PUPIL TRANSPORTATION.**

28.16 The commissioner of education shall undertake a study and make recommendations  
 28.17 to the legislature on the organization, delivery, and financing of transportation services for  
 28.18 students attending public charter schools. The study must be undertaken with affected  
 28.19 stakeholders including school districts, charter schools, parents of charter school students,  
 28.20 pupil transportation providers and others with expertise in arranging and financing pupil  
 28.21 transportation services. The study must be completed and reported to the house and senate  
 28.22 Education Policy and Finance Committees no later than December 31, 2007.

28.23 Sec. 41. **APPROPRIATIONS.**

28.24 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 28.25 appropriated from the general fund to the Department of Education for the fiscal years  
 28.26 designated.

28.27 Subd. 2. **General education aid.** For general education aid under Minnesota  
 28.28 Statutes, section 126C.13, subdivision 4:

28.29 \$ 5,654,187,000 ..... 2008  
 28.30 \$ 5,977,201,000 ..... 2009

28.31 The 2008 appropriation includes \$531,733,000 for 2007 and \$5,122,454,000 for  
 28.32 2008.

29.1 The 2009 appropriation includes \$550,550,000 for 2008 and \$5,426,651,000 for  
 29.2 2009.

29.3 Subd. 3. **Referendum tax base replacement aid.** For referendum tax base  
 29.4 replacement aid under Minnesota Statutes, section 126C.17, subdivision 7a:

29.5 \$ 870,000 ..... 2008

29.6 The 2008 appropriation includes \$870,000 for 2007 and \$0 for 2008.

29.7 Subd. 4. **Enrollment options transportation.** For transportation of pupils attending  
 29.8 postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation  
 29.9 of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

29.10 \$ 95,000 ..... 2008

29.11 \$ 97,000 ..... 2009

29.12 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
 29.13 127A.49:

29.14 \$ 1,343,000 ..... 2008

29.15 \$ 1,347,000 ..... 2009

29.16 The 2008 appropriation includes \$76,000 for 2007 and \$1,267,000 for 2008.

29.17 The 2009 appropriation includes \$140,000 for 2008 and \$1,207,000 for 2009.

29.18 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota  
 29.19 Statutes, section 123A.485:

29.20 \$ 565,000 ..... 2008

29.21 \$ 212,000 ..... 2009

29.22 The 2008 appropriation includes \$43,000 for 2007 and \$522,000 for 2008.

29.23 The 2009 appropriation includes \$57,000 for 2008 and \$155,000 for 2009.

29.24 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
 29.25 Minnesota Statutes, sections 123B.87 and 123B.40 to 123B.43:

29.26 \$ 16,349,000 ..... 2008

29.27 \$ 16,803,000 ..... 2009

29.28 The 2008 appropriation includes \$1,606,000 for 2007 and \$14,743,000 for 2008.

29.29 The 2009 appropriation includes \$1,638,000 for 2008 and \$15,165,000 for 2009.

29.30 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid  
 29.31 under Minnesota Statutes, section 123B.92, subdivision 9:

30.1           \$       21,747,000   ..... 2008

30.2           \$       21,993,000   ..... 2009

30.3           The 2008 appropriation includes \$2,124,000 for 2007 and \$19,623,000 for 2008.

30.4           The 2009 appropriation includes \$2,180,000 for 2008 and \$19,813,000 for 2009.

30.5           Subd. 9. **One-room schoolhouse.** For a grant to Independent School District No.  
 30.6 690, Warroad, to operate the Angle Inlet School:

30.7           \$       50,000       ..... 2008

30.8           \$       50,000       ..... 2009

30.9           Subd. 10. **Declining pupil aid; Browns Valley.** For declining pupil aid for  
 30.10 Independent School District No. 801, Browns Valley, due to the March 2007 flood:

30.11          \$       120,000   ..... 2008

30.12          \$       100,000   ..... 2009

30.13          Any balance in the first year does not cancel but is available in the second year.

30.14          Subd. 11. **Declining pupil aid McGregor.** For declining pupil aid for Independent  
 30.15 School District No. 4, McGregor:

30.16          \$       100,000   ..... 2008

30.17          Any balance in the first year does not cancel but is available in the second year.

30.18          Subd. 12. **Compensatory revenue pilot project.** For grants for participation in the  
 30.19 compensatory revenue pilot program under Laws 2005, First Special Session chapter 5,  
 30.20 article 1, section 50:

30.21          \$       2,175,000   ..... 2008

30.22          \$       2,175,000   ..... 2009

30.23          Of this amount, \$1,500,000 in each year is for a grant to Independent School District  
 30.24 No. 11, Anoka-Hennepin; \$210,000 in each year is for a grant to Independent School  
 30.25 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School  
 30.26 District No. 281, Robbinsdale; \$75,000 in each year is for a grant to Independent School  
 30.27 District No. 286, Brooklyn Center; \$165,000 in each year is for a grant to Independent  
 30.28 School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent  
 30.29 School District No. 833, South Washington.

30.30          If a grant to a specific school district is not awarded, the commissioner may increase  
 30.31 the aid amounts to any of the remaining participating school districts.

30.32          This appropriation is part of the base budget for subsequent fiscal years.

31.1 Subd. 13. School Finance Reform Task Force. For the school finance reform task  
31.2 force under section 36:

31.3 § 100,000 .... 2008

31.4 This is a onetime appropriation.

31.5 Sec. 42. REVISOR'S INSTRUCTION.

31.6 In Minnesota Statutes, the revisor of statutes shall correct any incorrect cross  
31.7 references resulting from the repeal of Minnesota Statutes, section 124D.06.

31.8 Sec. 43. REPEALER.

31.9 (a) Minnesota Statutes 2006, section 124D.06, is repealed, June 30, 2007.

31.10 (b) Minnesota Statutes 2006, section 124D.081, subdivisions 1, 2, 3, 4, 5, 6, and  
31.11 9, are repealed effective for revenue for fiscal year 2009.

31.12 **ARTICLE 2**  
31.13 **EDUCATION EXCELLENCE**

31.14 Section 1. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision  
31.15 to read:

31.16 Subd. 8a. Access to student records; school conferences. (a) A parent or guardian  
31.17 of a student may designate one "significant individual," defined under paragraph (c), to  
31.18 participate in a school conference involving the child of the parent or guardian. The parent  
31.19 or guardian must provide the school with prior written consent allowing the significant  
31.20 individual to participate in the conference and to receive any data on the child of the  
31.21 consenting parent or guardian that is necessary and relevant to the conference discussions.  
31.22 The consenting parent or guardian may withdraw consent, in writing, at any time.

31.23 (b) A school may accept the following form, or another consent to release student  
31.24 data form, as sufficient to meet the requirements of this subdivision:

31.25 **"CONSENT TO PARTICIPATE IN CONFERENCES AND**  
31.26 **RECEIVE STUDENT DATA**

31.27 I, ..... (Name of parent or guardian), as parent or guardian of  
31.28 ..... (Name of child), consent to allow .....  
31.29 (Name of significant individual) to participate in school conferences and receive student  
31.30 data relating to the above-named child, consistent with Minnesota Statutes, section 13.32,  
31.31 subdivision 8a. I understand that I may withdraw my consent, upon written request, at  
31.32 any time.

32.1 ..... (Signature of parent or guardian)

32.2 ..... (Date)"

32.3 (c) For purposes of this section, "significant individual" means one additional  
32.4 adult designated by a child's parent or guardian to attend school-related activities and  
32.5 conferences. The significant individual must reside with the child and participate actively  
32.6 in the child's care and upbringing.

32.7 Sec. 2. Minnesota Statutes 2006, section 119A.50, is amended by adding a subdivision  
32.8 to read:

32.9 **Subd. 3. Early childhood literacy programs.** (a) A research-based early childhood  
32.10 literacy program premised on actively involved parents, ongoing professional staff  
32.11 development, and high quality early literacy program standards is established to increase  
32.12 the literacy skills of children participating in Head Start to prepare them to be successful  
32.13 readers and to increase families' participation in providing early literacy experiences to  
32.14 their children. Program providers must:

32.15 (1) work to prepare children to be successful learners;

32.16 (2) work to close the achievement gap for at-risk children;

32.17 (3) use an integrated approach to early literacy that daily offers a literacy-rich  
32.18 classroom learning environment composed of books, writing materials, writing centers,  
32.19 labels, rhyming, and other related literacy materials and opportunities;

32.20 (4) support children's home language while helping the children master English and  
32.21 use multiple literacy strategies to provide a cultural bridge between home and school;

32.22 (5) use literacy mentors, ongoing literacy groups, and other teachers and staff to  
32.23 provide appropriate, extensive professional development opportunities in early literacy  
32.24 and classroom strategies for preschool teachers and other preschool staff;

32.25 (6) use ongoing data-based assessments that enable preschool teachers to understand,  
32.26 plan, and implement literacy strategies, activities, and curriculum that meet children's  
32.27 literacy needs and continuously improve children's literacy; and

32.28 (7) foster participation by parents, community stakeholders, literacy advisors, and  
32.29 evaluation specialists.

32.30 Program providers are encouraged to collaborate with qualified, community-based  
32.31 early childhood providers in implementing this program and to seek nonstate funds to  
32.32 supplement the program.

32.33 (b) Program providers under paragraph (a) interested in extending literacy programs  
32.34 to children in kindergarten through grade 3 may elect to form a partnership with an  
32.35 eligible organization under section 124D.38, subdivision 2, or 124D.42, subdivision 6,

33.1 clause (3), schools enrolling children in kindergarten through grade 3, and other interested  
33.2 and qualified community-based entities to provide ongoing literacy programs that offer  
33.3 seamless literacy instruction focused on closing the literacy achievement gap. To close the  
33.4 literacy achievement gap by the end of third grade, partnership members must agree to use  
33.5 best efforts and practices and to work collaboratively to implement a seamless literacy  
33.6 model from age three to grade 3, consistent with paragraph (a). Literacy programs under  
33.7 this paragraph must collect and use literacy data to:

33.8 (1) evaluate children's literacy skills; and

33.9 (2) formulate specific intervention strategies to provide reading instruction to  
33.10 children premised on the outcomes of formative and summative assessments and  
33.11 research-based indicators of literacy development.

33.12 The literacy programs under this paragraph also must train teachers and other  
33.13 providers working with children to use the assessment outcomes under clause (2) to  
33.14 develop and use effective, long-term literacy coaching models that are specific to the  
33.15 program providers.

33.16 (c) The commissioner must collect and evaluate literacy data on children from age  
33.17 three to grade 3 who participate in literacy programs under this section to determine the  
33.18 efficacy of early literacy programs on children's success in developing the literacy skills  
33.19 that they need for long-term academic success and the programs' success in closing the  
33.20 literacy achievement gap. Annually by February 1, the commissioner must report to  
33.21 the education policy and finance committees of the legislature on the ongoing impact  
33.22 of these programs.

33.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

33.24 Sec. 3. Minnesota Statutes 2006, section 120A.22, subdivision 7, is amended to read:

33.25 Subd. 7. **Education records.** (a) A district, a charter school, or a nonpublic school  
33.26 that receives services or aid under sections 123B.40 to 123B.48 from which a student is  
33.27 transferring must transmit the student's educational records, within ten business days of a  
33.28 request, to the district, the charter school, or the nonpublic school in which the student is  
33.29 enrolling. Districts, charter schools, and nonpublic schools that receive services or aid  
33.30 under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district,  
33.31 the charter school, or the nonpublic school in which a transferring student is next enrolling  
33.32 in order to comply with this subdivision.

33.33 (b) A closed charter school must transfer the student's educational records, within  
33.34 ten business days of the school's closure, to the student's school district of residence

34.1 where the records must be retained unless the records are otherwise transferred under  
 34.2 this subdivision.

34.3 (c) A school district, a charter school, or a nonpublic school that receives services  
 34.4 or aid under sections 123B.40 to 123B.48 that transmits a student's educational records  
 34.5 to another school district or other educational entity, charter school, or nonpublic school  
 34.6 to which the student is transferring must include in the transmitted records information  
 34.7 about any formal suspension, expulsion, and exclusion disciplinary action taken as a  
 34.8 result of any incident in which the student possessed or used a dangerous weapon under  
 34.9 sections 121A.40 to 121A.56. The district, the charter school, or the nonpublic school  
 34.10 that receives services or aid under sections 123B.40 to 123B.48 must provide notice to  
 34.11 a student and the student's parent or guardian that formal disciplinary records will be  
 34.12 transferred as part of the student's educational record, in accordance with data practices  
 34.13 under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United  
 34.14 States Code, title 20, section 1232(g).

34.15 ~~(c)~~ (d) Notwithstanding section 138.17, a principal or chief administrative officer  
 34.16 must remove from a student's educational record and destroy a probable cause notice  
 34.17 received under section 260B.171, subdivision 5, or paragraph (d), if one year has elapsed  
 34.18 since the date of the notice and the principal or chief administrative officer has not  
 34.19 received a disposition or court order related to the offense described in the notice. This  
 34.20 paragraph does not apply if the student no longer attends the school when this one-year  
 34.21 period expires.

34.22 ~~(d)~~ (e) A principal or chief administrative officer who receives a probable cause  
 34.23 notice under section 260B.171, subdivision 5, or a disposition or court order, must include  
 34.24 a copy of that data in the student's educational records if they are transmitted to another  
 34.25 school, unless the data are required to be destroyed under paragraph (c) or section 121A.75.

34.26 Sec. 4. Minnesota Statutes 2006, section 120B.021, subdivision 1, is amended to read:

34.27 Subdivision 1. **Required academic standards.** The following subject areas are  
 34.28 required for statewide accountability:

34.29 (1) language arts;

34.30 (2) mathematics;

34.31 (3) science;

34.32 (4) social studies, including history, geography, economics, and government and  
 34.33 citizenship;

34.34 (5) health and physical education, for which locally developed health academic  
 34.35 standards apply; and

35.1 (6) the arts, for which statewide or locally developed academic standards apply, as  
35.2 determined by the school district. Public elementary and middle schools must offer at least  
35.3 three and require at least two of the following four arts areas: dance; music; theater; and  
35.4 visual arts. Public high schools must offer at least three and require at least one of the  
35.5 following five arts areas: media arts; dance; music; theater; and visual arts.

35.6 The commissioner must submit proposed standards in science and social studies to  
35.7 the legislature by February 1, 2004.

35.8 For purposes of applicable federal law, the academic standards for language arts,  
35.9 mathematics, and science apply to all public school students, except the very few students  
35.10 with extreme cognitive or physical impairments for whom an individualized education  
35.11 plan team has determined that the required academic standards are inappropriate.

35.12 An individualized education plan team that makes this determination must establish  
35.13 alternative standards.

35.14 A school district, no later than the 2007-2008 school year, must adopt graduation  
35.15 requirements that meet or exceed state graduation requirements established in law or  
35.16 rule. A school district that incorporates these state graduation requirements before the  
35.17 2007-2008 school year must provide students who enter the 9th grade in or before  
35.18 the 2003-2004 school year the opportunity to earn a diploma based on existing locally  
35.19 established graduation requirements in effect when the students entered the 9th grade.  
35.20 District efforts to develop, implement, or improve instruction or curriculum as a result  
35.21 of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
35.22 and 120B.20.

35.23 **EFFECTIVE DATE.** This section is effective the day following final enactment,  
35.24 except that clause (5) applies to students entering the ninth grade in the 2008-2009 school  
35.25 year and later.

35.26 Sec. 5. Minnesota Statutes 2006, section 120B.023, subdivision 2, is amended to read:

35.27 Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must  
35.28 revise and appropriately embed technology and information literacy standards consistent  
35.29 with recommendations from school media specialists into the state's academic standards  
35.30 and graduation requirements and implement a review cycle for state academic standards  
35.31 and related benchmarks, consistent with this subdivision. During each review cycle, the  
35.32 commissioner also must examine the alignment of each required academic standard and  
35.33 related benchmark with the knowledge and skills students need for college readiness and  
35.34 advanced work in the particular subject area.

36.1 (b) The commissioner in the 2006-2007 school year must revise and align the state's  
36.2 academic standards and high school graduation requirements in mathematics to require  
36.3 that students satisfactorily complete the revised mathematics standards, beginning in the  
36.4 2010-2011 school year. Under the revised standards:

36.5 (1) students must satisfactorily complete an algebra I credit by the end of eighth  
36.6 grade; and

36.7 (2) students scheduled to graduate in the 2014-2015 school year or later must  
36.8 satisfactorily complete an algebra II credit or its equivalent.

36.9 The commissioner also must ensure that the statewide mathematics assessments  
36.10 administered to students in grades 3 through 8 and 11 beginning in the 2010-2011  
36.11 school year are aligned with the state academic standards in mathematics. The statewide  
36.12 11th grade mathematics test administered to students under clause (2) beginning in  
36.13 the 2013-2014 school year must include algebra II test items that are aligned with  
36.14 corresponding state academic standards in mathematics. The commissioner must  
36.15 implement a review of the academic standards and related benchmarks in mathematics  
36.16 beginning in the 2015-2016 school year.

36.17 (c) The commissioner in the 2007-2008 school year must revise and align the state's  
36.18 academic standards and high school graduation requirements in the arts to require that  
36.19 students satisfactorily complete the revised arts standards beginning in the 2010-2011  
36.20 school year. The commissioner must implement a review of the academic standards and  
36.21 related benchmarks in arts beginning in the 2016-2017 school year.

36.22 (d) The commissioner in the 2008-2009 school year must revise and align the state's  
36.23 academic standards and high school graduation requirements in science to require that  
36.24 students satisfactorily complete the revised science standards, beginning in the 2011-2012  
36.25 school year. Under the revised standards, students scheduled to graduate in the 2014-2015  
36.26 school year or later must satisfactorily complete a chemistry or physics credit. The  
36.27 commissioner must implement a review of the academic standards and related benchmarks  
36.28 in science beginning in the 2017-2018 school year.

36.29 (e) The commissioner in the 2009-2010 school year must revise and align the state's  
36.30 academic standards and high school graduation requirements in language arts to require  
36.31 that students satisfactorily complete the revised language arts standards beginning in the  
36.32 2012-2013 school year. The commissioner must implement a review of the academic  
36.33 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

36.34 (f) The commissioner in the 2010-2011 school year must revise and align the state's  
36.35 academic standards and high school graduation requirements in social studies to require  
36.36 that students satisfactorily complete the revised social studies standards beginning in the

37.1 2013-2014 school year. The commissioner must implement a review of the academic  
37.2 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

37.3 (g) School districts and charter schools must revise and align local academic  
37.4 standards and high school graduation requirements in health, ~~physical education~~, world  
37.5 languages, and career and technical education to require students to complete the revised  
37.6 standards beginning in a school year determined by the school district or charter school.  
37.7 School districts and charter schools must formally establish a periodic review cycle for  
37.8 the academic standards and related benchmarks in health, ~~physical education~~, world  
37.9 languages, and career and technical education.

37.10 **EFFECTIVE DATE.** This section is effective the day following final enactment  
37.11 and applies to students entering the ninth grade in the 2008-2009 school year and later.

37.12 Sec. 6. Minnesota Statutes 2006, section 120B.024, is amended to read:

37.13 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

37.14 (a) Students beginning 9th grade in the 2004-2005 school year and later must  
37.15 successfully complete the following high school level course credits for graduation:

37.16 (1) four credits of language arts;

37.17 (2) three credits of mathematics, encompassing at least algebra, geometry, statistics,  
37.18 and probability sufficient to satisfy the academic standard;

37.19 (3) three credits of science, including at least one credit in biology;

37.20 (4) three and one-half credits of social studies, encompassing at least United  
37.21 States history, geography, government and citizenship, world history, and economics or  
37.22 three credits of social studies encompassing at least United States history, geography,  
37.23 government and citizenship, and world history, and one-half credit of economics taught in  
37.24 a school's social studies, agriculture education, or business department;

37.25 (5) one credit in the arts; ~~and~~

37.26 (6) one-half credit in physical education; and

37.27 (7) a minimum of ~~seven~~ six elective course credits.

37.28 A course credit is equivalent to a student successfully completing an academic  
37.29 year of study or a student mastering the applicable subject matter, as determined by the  
37.30 local school district.

37.31 (b) An agriculture science course may fulfill a science credit requirement in addition  
37.32 to the specified science credits in biology and chemistry or physics under paragraph (a),  
37.33 clause (3).

38.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.  
38.2 Paragraph (a) applies to students entering the ninth grade in the 2008-2009 school year  
38.3 and later.

38.4 Sec. 7. Minnesota Statutes 2006, section 120B.11, subdivision 5, is amended to read:

38.5 Subd. 5. **Report.** (a) By October 1 of each year, the school board shall use standard  
38.6 statewide reporting procedures the commissioner develops and adopt a report that includes  
38.7 the following:

38.8 (1) student achievement goals for meeting state academic standards;

38.9 (2) results of local assessment data, and any additional test data;

38.10 (3) description of student achievement in subject areas under section 120B.021,  
38.11 subdivision 1, for which locally developed academic standards apply and statewide  
38.12 assessments are not developed;

38.13 ~~(3)~~ (4) the annual school district improvement plans including staff development  
38.14 goals under section 122A.60;

38.15 ~~(4)~~ (5) information about district and learning site progress in realizing previously  
38.16 adopted improvement plans; and

38.17 ~~(5)~~ (6) the amount and type of revenue attributed to each education site as defined  
38.18 in section 123B.04.

38.19 (b) The school board shall publish the report in the local newspaper with the largest  
38.20 circulation in the district, by mail, or by electronic means such as the district Web site. If  
38.21 electronic means are used, school districts must publish notice of the report in a periodical  
38.22 of general circulation in the district. School districts must make copies of the report  
38.23 available to the public on request. The board shall make a copy of the report available to  
38.24 the public for inspection. The board shall send a copy of the report to the commissioner  
38.25 of education by October 15 of each year.

38.26 (c) The title of the report shall contain the name and number of the school district and  
38.27 read "Annual Report on Curriculum, Instruction, and Student Achievement." The report  
38.28 must include at least the following information about advisory committee membership:

38.29 (1) the name of each committee member and the date when that member's term  
38.30 expires;

38.31 (2) the method and criteria the school board uses to select committee members; and

38.32 (3) the date by which a community resident must apply to next serve on the  
38.33 committee.

39.1 Sec. 8. Minnesota Statutes 2006, section 120B.132, is amended to read:

39.2 **120B.132 RAISED ACADEMIC ACHIEVEMENT; ADVANCED**  
 39.3 **PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.**

39.4 Subdivision 1. **Establishment; eligibility.** A program is established to raise  
 39.5 kindergarten through grade 12 academic achievement through increased student  
 39.6 participation in preadvanced placement ~~and~~, advanced placement, and international  
 39.7 baccalaureate programs, consistent with section 120B.13. Schools and charter schools  
 39.8 eligible to participate under this section:

39.9 (1) must have a three-year plan approved by the local school board to establish a new  
 39.10 international baccalaureate program leading to international baccalaureate authorization,  
 39.11 expand an existing program that leads to international baccalaureate authorization, or  
 39.12 expand an existing authorized international baccalaureate program; or

39.13 (2) must have a three-year plan approved by the local school board to create a new or  
 39.14 expand an existing program to implement the college board advanced placement courses  
 39.15 and exams or preadvanced placement ~~courses~~ initiative; and

39.16 (2) (3) must propose to further raise students' academic achievement by:

39.17 (i) increasing the availability of and all students' access to advanced placement or  
 39.18 international baccalaureate courses or programs;

39.19 (ii) expanding the breadth of advanced placement or international baccalaureate  
 39.20 courses or programs that are available to students;

39.21 (iii) increasing the number and the diversity of the students who participate in  
 39.22 advanced placement or international baccalaureate courses or programs and succeed;

39.23 (iv) providing low-income and other disadvantaged students with increased access  
 39.24 to advanced placement or international baccalaureate courses and programs; or

39.25 (v) increasing the number of high school students, including low-income and other  
 39.26 disadvantaged students, who receive college credit by successfully completing advanced  
 39.27 placement or international baccalaureate courses or programs and achieving satisfactory  
 39.28 scores on related exams.

39.29 Subd. 2. **Application and review process; funding priority.** (a) Charter schools  
 39.30 and school districts in which eligible schools under subdivision 1 are located may  
 39.31 apply to the commissioner, in the form and manner the commissioner determines, for  
 39.32 competitive funding to further raise students' academic achievement. The application must  
 39.33 detail the specific efforts the applicant intends to undertake in further raising students'  
 39.34 academic achievement, consistent with subdivision 1, and a proposed budget detailing  
 39.35 the district or charter school's current and proposed expenditures for advanced placement  
 39.36 ~~or~~, preadvanced placement, and international baccalaureate courses and programs. The

40.1 proposed budget must demonstrate that the applicant's efforts will ~~supplement but not~~  
40.2 ~~supplant any expenditures for advanced placement and preadvanced placement courses and~~  
40.3 ~~programs the applicant currently makes available to students~~ support implementation of  
40.4 advanced placement, preadvanced placement, and international baccalaureate courses and  
40.5 programs. Expenditures for administration must not exceed five percent of the proposed  
40.6 budget. The commissioner may require an applicant to provide additional information.

40.7 (b) When reviewing applications, the commissioner must determine whether  
40.8 the applicant satisfied all the requirements in this subdivision and subdivision 1.

40.9 The commissioner may give funding priority to an otherwise qualified applicant that  
40.10 demonstrates:

40.11 (1) a focus on developing or expanding preadvanced placement, advanced  
40.12 placement, or international baccalaureate courses and or programs or increasing students'  
40.13 participation in, access to, or success with the courses or programs, including the  
40.14 participation, access, or success of low-income and other disadvantaged students;

40.15 (2) a compelling need for access to preadvanced placement, advanced placement, or  
40.16 international baccalaureate courses or programs;

40.17 (3) an effective ability to actively involve local business and community  
40.18 organizations in student activities that are integral to preadvanced placement, advanced  
40.19 placement, or international baccalaureate courses and or programs;

40.20 (4) access to additional public or nonpublic funds or in-kind contributions that are  
40.21 available for preadvanced placement, advanced placement, or international baccalaureate  
40.22 courses or programs; or

40.23 (5) an intent to implement activities that target low-income and other disadvantaged  
40.24 students.

40.25 Subd. 3. **Funding; permissible funding uses.** (a) The commissioner shall award  
40.26 grants to applicant school districts and charter schools that meet the requirements of  
40.27 subdivisions 1 and 2. The commissioner must award grants on an equitable geographical  
40.28 basis to the extent feasible and consistent with this section. Grant awards must not exceed  
40.29 the lesser of:

40.30 (1) \$85 times the number of pupils enrolled at the participating sites on October  
40.31 1 of the previous fiscal year; or

40.32 (2) the approved supplemental expenditures based on the budget submitted under  
40.33 subdivision 2. For charter schools in their first year of operation, the maximum ~~grant~~  
40.34 funding award must be calculated using the number of pupils enrolled on October 1 of  
40.35 the current fiscal year. The commissioner may adjust the maximum ~~grant~~ funding award  
40.36 computed using prior year data for changes in enrollment attributable to school closings,

41.1 school openings, grade level reconfigurations, or school district reorganizations between  
41.2 the prior fiscal year and the current fiscal year.

41.3 (b) School districts and charter schools that submit an application and receive  
41.4 funding under this section must use the funding, consistent with the application, to:

41.5 (1) provide teacher training and instruction to more effectively serve students,  
41.6 including low-income and other disadvantaged students, who participate in preadvanced  
41.7 ~~and~~ placement, advanced placement, or international baccalaureate courses or programs;

41.8 (2) further develop preadvanced placement, advanced placement, or international  
41.9 baccalaureate courses or programs;

41.10 (3) improve the transition between grade levels to better prepare students, including  
41.11 low-income and other disadvantaged students, for succeeding in preadvanced placement,  
41.12 advanced placement, or international baccalaureate courses or programs;

41.13 (4) purchase books and supplies;

41.14 (5) pay course or program fees;

41.15 (6) increase students' participation in and success with preadvanced placement,  
41.16 advanced placement, or international baccalaureate courses or programs;

41.17 (7) expand students' access to preadvanced placement ~~or,~~ advanced placement, or  
41.18 international baccalaureate courses or programs through online learning;

41.19 (8) hire appropriately licensed personnel to teach additional advanced placement  
41.20 or international baccalaureate courses or programs; or

41.21 (9) engage in other activity directly related to expanding students' access to,  
41.22 participation in, and success with preadvanced placement ~~or,~~ advanced placement, or  
41.23 international baccalaureate courses ~~and~~ or programs, including low-income and other  
41.24 disadvantaged students.

41.25 Subd. 4. **Annual reports.** (a) Each school district and charter school that receives  
41.26 a grant under this section annually must collect demographic and other student data to  
41.27 demonstrate and measure the extent to which the district or charter school raised students'  
41.28 academic achievement under this program and must report the data to the commissioner  
41.29 in the form and manner the commissioner determines. The commissioner annually by  
41.30 February 15 must make summary data about this program available to the education  
41.31 policy and finance committees of the legislature.

41.32 (b) Each school district and charter school that receives a grant under this section  
41.33 annually must report to the commissioner, consistent with the Uniform Financial  
41.34 Accounting and Reporting Standards, its actual expenditures for advanced placement ~~and,~~  
41.35 preadvanced placement, and international baccalaureate courses and programs. The report  
41.36 must demonstrate that the school district or charter school has maintained its effort from

42.1 other sources for advanced placement ~~and~~, preadvanced placement, and international  
42.2 baccalaureate courses and programs compared with the previous fiscal year, and the  
42.3 district or charter school has expended all grant funds, consistent with its approved budget.

42.4 **EFFECTIVE DATE.** This section is effective the day following final enactment  
42.5 and applies to the 2007-2008 school year and later.

42.6 Sec. 9. Minnesota Statutes 2006, section 120B.31, subdivision 3, is amended to read:

42.7 Subd. 3. **Educational accountability.** (a) The Independent Office of Educational  
42.8 Accountability, as authorized by Laws 1997, First Special Session chapter 4, article 5,  
42.9 section 28, subdivision 2, is established, and shall be funded through the Board of Regents  
42.10 of the University of Minnesota. The office shall advise the education committees of  
42.11 the legislature and the commissioner of education, at least on a biennial basis, on the  
42.12 degree to which the statewide educational accountability and reporting system includes a  
42.13 comprehensive assessment framework that measures school accountability for students  
42.14 achieving the goals described in the state's results-oriented graduation rule. The office shall  
42.15 ~~consider~~ determine and annually report to the legislature whether and how effectively:

42.16 (1) the statewide system of educational accountability utilizes multiple indicators to  
42.17 provide valid and reliable comparative and contextual data on students, schools, districts,  
42.18 and the state, and if not, recommend ways to improve the accountability reporting system;

42.19 (2) the commissioner makes statistical adjustments when reporting student data over  
42.20 time, consistent with clause (4);

42.21 (3) the commissioner uses indicators of student achievement growth over time  
42.22 and a value-added assessment model that estimates the effects of the school and school  
42.23 district on student achievement to measure school performance, consistent with section  
42.24 120B.36, subdivision 1; and

42.25 (4) the commissioner makes data available on students who do not pass one or more  
42.26 of the state's required GRAD tests and do not receive a diploma as a consequence, and  
42.27 categorizes these data according to gender, race, eligibility for free or reduced lunch,  
42.28 and English language proficiency.

42.29 (b) When the office reviews the statewide educational accountability and reporting  
42.30 system, it shall also consider:

42.31 (1) the objectivity and neutrality of the state's educational accountability system; and

42.32 (2) the impact of a testing program on school curriculum and student learning.

42.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

43.1 Sec. 10. Minnesota Statutes 2006, section 120B.36, subdivision 1, is amended to read:

43.2 Subdivision 1. **School performance report cards.** (a) The commissioner shall use  
43.3 objective criteria based on levels of student performance to ~~identify four to six designations~~  
43.4 ~~applicable to high and low performing public schools. The objective criteria shall include~~  
43.5 report at least student academic performance, school safety, and staff characteristics, with  
43.6 a value-added ~~growth~~ component added by the ~~2006-2007~~ no later than the 2008-2009  
43.7 school year. The report must indicate a school's adequate yearly progress status.

43.8 (b) The commissioner shall develop, annually update, and post on the department  
43.9 Web site school performance report cards. ~~A school's designation must be clearly stated~~  
43.10 ~~on each school performance report card.~~

43.11 (c) The commissioner must make available the first ~~school designations and school~~  
43.12 performance report cards by November 2003, and during the beginning of each school  
43.13 year thereafter.

43.14 (d) A school or district may appeal its adequate yearly progress status in writing  
43.15 ~~a designation under this section~~ to the commissioner within 30 days of receiving the  
43.16 ~~designation~~ notice of its status. The commissioner's decision to uphold or deny an appeal  
43.17 is final.

43.18 (e) School performance report cards data are nonpublic data under section 13.02,  
43.19 subdivision 9, until not later than ten days after the appeal procedure described in  
43.20 paragraph (d) concludes. The department shall annually post school performance report  
43.21 cards to its public Web site no later than September 1.

43.22 **EFFECTIVE DATE.** This section is effective the day following final enactment  
43.23 and applies to the school performance report cards for the 2006-2007 school year and later.

43.24 Sec. 11. Minnesota Statutes 2006, section 120B.15, is amended to read:

43.25 **120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

43.26 (a) School districts may identify students, locally develop programs, provide  
43.27 staff development, and evaluate programs to provide gifted and talented students with  
43.28 challenging educational programs.

43.29 (b) School districts may adopt guidelines for assessing and identifying students for  
43.30 participation in gifted and talented programs. The guidelines should include the use of:

43.31 (1) multiple and objective criteria; and

43.32 (2) assessments and procedures that are valid and reliable, fair, and based on current  
43.33 theory and research.

44.1 (c) School districts must adopt policies and procedures for the academic acceleration  
44.2 of gifted and talented students. These policies and procedures must include how the  
44.3 district will:

44.4 (1) assess a student's readiness and motivation for acceleration; and

44.5 (2) match the level, complexity, and pace of the curriculum to a student to achieve  
44.6 the best type of academic acceleration for that student.

44.7 Sec. 12. Minnesota Statutes 2006, section 120B.30, is amended to read:

44.8 **120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.**

44.9 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts  
44.10 with appropriate technical qualifications and experience and stakeholders, consistent with  
44.11 subdivision 1a, shall include in the comprehensive assessment system, for each grade  
44.12 level to be tested, state-constructed tests developed from and aligned with the state's  
44.13 required academic standards under section 120B.021 and administered annually to all  
44.14 students in grades 3 through 8 and at the high school level. A state-developed test in a  
44.15 subject other than writing, developed after the 2002-2003 school year, must include both  
44.16 machine-scoreable and constructed response questions. The commissioner shall establish  
44.17 one or more months during which schools shall administer the tests to students each  
44.18 school year. For students enrolled in grade 8 before the 2005-2006 school year, only  
44.19 Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students'  
44.20 basic skills testing requirements for a passing state notation. The passing scores of ~~the~~  
44.21 ~~state basic skills~~ tests in reading and mathematics are the equivalent of:

44.22 ~~(1) 70 percent correct for students entering grade 9 in 1996; and~~

44.23 ~~(2) 75 percent correct for students entering grade 9 in 1997 and thereafter, as based~~  
44.24 ~~on the first uniform test administration of February 1998.~~

44.25 (b) For students enrolled in grade 8 in the 2005-2006 school year and later, only  
44.26 the ~~Minnesota Comprehensive Assessments Second Edition (MCA-II) in reading,~~  
44.27 ~~mathematics, and writing following options~~ shall fulfill students' ~~academic standard state~~  
44.28 ~~graduation test~~ requirements:

44.29 (1) for reading and mathematics:

44.30 (i) obtaining an achievement level equivalent to or greater than proficient as  
44.31 determined through a standard setting process on the Minnesota comprehensive  
44.32 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing  
44.33 score as determined through a standard setting process on the graduation-required  
44.34 assessment for diploma in grade 10 for reading and grade 11 for mathematics or  
44.35 subsequent retests;

45.1 (ii) achieving a passing score as determined through a standard setting process on the  
45.2 state-identified language proficiency test in reading and the mathematics test for English  
45.3 language learners or the graduation-required assessment for diploma equivalent of those  
45.4 assessments for students designated as English language learners;

45.5 (iii) achieving an individual passing score on the graduation-required assessment  
45.6 for diploma as determined by appropriate state guidelines for students with an individual  
45.7 education plan or 504 plan;

45.8 (iv) obtaining achievement level equivalent to or greater than proficient as  
45.9 determined through a standard setting process on the state-identified alternate assessment  
45.10 or assessments in grade 10 for reading and grade 11 for mathematics for students with  
45.11 an individual education plan; or

45.12 (v) achieving an individual passing score on the state-identified alternate assessment  
45.13 or assessments as determined by appropriate state guidelines for students with an  
45.14 individual education plan; and

45.15 (2) for writing:

45.16 (i) achieving a passing score on the graduation-required assessment for diploma;

45.17 (ii) achieving a passing score as determined through a standard setting process on  
45.18 the state-identified language proficiency test in writing for students designated as English  
45.19 language learners;

45.20 (iii) achieving an individual passing score on the graduation-required assessment  
45.21 for diploma as determined by appropriate state guidelines for students with an individual  
45.22 education plan or 504 plan; or

45.23 (iv) achieving an individual passing score on the state-identified alternate assessment  
45.24 or assessments as determined by appropriate state guidelines for students with an  
45.25 individual education plan.

45.26 ~~(b)~~ (c) The ~~third~~ 3rd through 8th grade and high school level test results shall  
45.27 be available to districts for diagnostic purposes affecting student learning and district  
45.28 instruction and curriculum, and for establishing educational accountability. The  
45.29 commissioner must disseminate to the public the test results upon receiving those results.

45.30 ~~(c)~~ (d) State tests must be constructed and aligned with state academic standards. The  
45.31 testing process and the order of administration shall be determined by the commissioner.  
45.32 The statewide results shall be aggregated at the site and district level, consistent with  
45.33 subdivision 1a.

45.34 ~~(d)~~ (e) In addition to the testing and reporting requirements under this section, the  
45.35 commissioner shall include the following components in the statewide public reporting  
45.36 system:

46.1 (1) uniform statewide testing of all students in grades 3 through 8 and at the high  
46.2 school level that provides appropriate, technically sound accommodations, alternate  
46.3 assessments, or exemptions consistent with applicable federal law, only with parent or  
46.4 guardian approval, for those very few students for whom the student's individual education  
46.5 plan team under sections 125A.05 and 125A.06; determines that the general statewide  
46.6 test is inappropriate for a student is incapable of taking a statewide test, or for a limited  
46.7 English proficiency student under section 124D.59, subdivision 2, ~~if the student has been~~  
46.8 ~~in the United States for fewer than three years;~~

46.9 (2) educational indicators that can be aggregated and compared across school  
46.10 districts and across time on a statewide basis, including average daily attendance, high  
46.11 school graduation rates, and high school drop-out rates by age and grade level;

46.12 (3) ~~students' scores~~ state results on the American College Test; and

46.13 (4) state results from participation in the National Assessment of Educational  
46.14 Progress so that the state can benchmark its performance against the nation and other  
46.15 states, and, where possible, against other countries, and contribute to the national effort  
46.16 to monitor achievement.

46.17 ~~(e) Districts must report exemptions under paragraph (d), clause (1), to the~~  
46.18 ~~commissioner consistent with a format provided by the commissioner.~~

46.19 Subd. 1a. **Statewide and local assessments; results.** (a) The commissioner must  
46.20 develop reading, mathematics, and science assessments aligned with state academic  
46.21 standards that districts and sites must use to monitor student growth toward achieving  
46.22 those standards. The commissioner must not develop statewide assessments for academic  
46.23 standards in social studies, health and physical education, and the arts. The commissioner  
46.24 must require:

46.25 (1) annual reading and mathematics assessments in grades 3 through 8 and at the  
46.26 high school level for the 2005-2006 school year and later; and

46.27 (2) annual science assessments in one grade in the grades 3 through 5 span, the  
46.28 grades 6 through 9 span, and a life sciences assessment in the grades 10 through 12 span  
46.29 for the 2007-2008 school year and later.

46.30 (b) The commissioner must ensure that all statewide tests administered to elementary  
46.31 and secondary students measure students' academic knowledge and skills and not students'  
46.32 values, attitudes, and beliefs.

46.33 (c) Reporting of assessment results must:

46.34 (1) provide timely, useful, and understandable information on the performance of  
46.35 individual students, schools, school districts, and the state;

47.1 (2) include, by ~~the 2006-2007~~ no later than the 2008-2009 school year, a value-added  
47.2 component ~~to~~ that is in addition to a measure for student achievement growth over time;  
47.3 and

47.4 (3)(i) for students enrolled in grade 8 before the 2005-2006 school year, determine  
47.5 whether students have met the state's basic skills requirements; and

47.6 (ii) for students enrolled in grade 8 in the 2005-2006 school year and later, determine  
47.7 whether students have met the state's academic standards.

47.8 (d) Consistent with applicable federal law and subdivision 1, paragraph (d), clause  
47.9 (1), the commissioner must include appropriate, technically sound accommodations or  
47.10 alternative assessments for the very few students with disabilities for whom statewide  
47.11 assessments are inappropriate and for students with limited English proficiency.

47.12 (e) A school, school district, and charter school must administer statewide  
47.13 assessments under this section, as the assessments become available, to evaluate student  
47.14 progress in achieving the academic standards. If a state assessment is not available, a  
47.15 school, school district, and charter school must determine locally if a student has met  
47.16 the required academic standards. A school, school district, or charter school may use a  
47.17 student's performance on a statewide assessment as one of multiple criteria to determine  
47.18 grade promotion or retention. A school, school district, or charter school may use a high  
47.19 school student's performance on a statewide assessment as a percentage of the student's  
47.20 final grade in a course, or place a student's assessment score on the student's transcript  
47.21 except as required under paragraph (f).

47.22 (f) A school district or charter school must place a student's assessment score for  
47.23 9th grade writing, 10th grade language arts, and 11th grade mathematics on the student's  
47.24 transcript.

47.25 Subd. 2. **Department of Education assistance.** The Department of Education  
47.26 shall contract for professional and technical services according to competitive bidding  
47.27 procedures under chapter 16C for purposes of this section.

47.28 Subd. 3. **Reporting.** The commissioner shall report test data publicly and to  
47.29 stakeholders, including the ~~three performance baselines~~ performance achievement levels  
47.30 developed from students' unweighted ~~mean~~ test scores in each tested subject and a listing of  
47.31 demographic factors that strongly correlate with student performance. The commissioner  
47.32 shall also report data that compares performance results among school sites, school  
47.33 districts, Minnesota and other states, and Minnesota and other nations. The commissioner  
47.34 shall disseminate to schools and school districts a more comprehensive report containing  
47.35 testing information that meets local needs for evaluating instruction and curriculum.

48.1 Subd. 4. **Access to tests.** The commissioner must adopt and publish a policy  
48.2 to provide public and parental access for review of basic skills tests, Minnesota  
48.3 Comprehensive Assessments, or any other such statewide test and assessment. Upon  
48.4 receiving a written request, the commissioner must make available to parents or guardians  
48.5 a copy of their student's actual ~~answer sheet~~ responses to the test questions to be reviewed  
48.6 by the parent.

48.7 Sec. 13. Minnesota Statutes 2006, section 121A.22, subdivision 1, is amended to read:

48.8 Subdivision 1. **Applicability.** (a) This section applies only:

48.9 (1) when the parent of a pupil requests school personnel to administer drugs or  
48.10 medicine, including physician-prescribed naturopathic medicine, to the pupil; or

48.11 (2) when administration is allowed by the individual education plan of a child with a  
48.12 disability.

48.13 The request of a parent may be oral or in writing. An oral request must be reduced  
48.14 to writing within two school days, provided that the district may rely on an oral request  
48.15 until a written request is received.

48.16 (b) "Physician-prescribed naturopathic medicine" under this section means  
48.17 naturopathic medicine, as defined by the federal Food, Drug, and Cosmetic Act, that is  
48.18 prescribed by a licensed physician in consultation with a board-certified naturopathic  
48.19 physician.

48.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

48.21 Sec. 14. Minnesota Statutes 2006, section 121A.22, subdivision 3, is amended to read:

48.22 Subd. 3. **Labeling.** Drugs or medicine subject to this section, except  
48.23 physician-prescribed and labeled naturopathic medicine, must be in a container with a  
48.24 label prepared by a pharmacist according to section 151.212 and applicable rules.

48.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

48.26 Sec. 15. Minnesota Statutes 2006, section 121A.22, subdivision 4, is amended to read:

48.27 Subd. 4. **Administration.** (a) Drugs and medicine subject to this section, except  
48.28 physician-prescribed naturopathic medicine, must be administered in a manner consistent  
48.29 with instructions on the label. Physician-prescribed naturopathic medicine must be  
48.30 administered according to the order of the prescribing physician.

48.31 (b) Drugs and medicine subject to this section must be administered, to the extent  
48.32 possible, according to school board procedures that must be developed in consultation:

- 49.1 (1) with a school nurse, in a district that employs a school nurse;
- 49.2 (2) with a licensed school nurse, in a district that employs a licensed school nurse;
- 49.3 (3) with a public or private health or health-related organization, in a district that
- 49.4 contracts with a public or private health or health-related organization, according to
- 49.5 section 121A.21; or
- 49.6 (4) with the appropriate party, in a district that has an arrangement approved by the
- 49.7 commissioner of education, according to section 121A.21.

49.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

49.9 Sec. 16. **[121A.231] RESPONSIBLE FAMILY LIFE AND SEXUALITY**

49.10 **EDUCATION PROGRAMS.**

49.11 **Subdivision 1. Definitions.** (a) "Responsible family life and sexuality education"

49.12 means education in grades 7 through 12 that:

- 49.13 (1) respects community values and encourages family communication;
- 49.14 (2) develops skills in communication, decision making, and conflict resolution;
- 49.15 (3) contributes to healthy relationships;
- 49.16 (4) provides human development and sexuality education that is age appropriate
- 49.17 and medically accurate;
- 49.18 (5) includes an abstinence-first approach to delaying initiation of sexual activity that
- 49.19 emphasizes abstinence while also including education about the use of protection and
- 49.20 contraception; and
- 49.21 (6) promotes individual responsibility.
- 49.22 (b) "Age appropriate" refers to topics, messages, and teaching methods suitable to
- 49.23 particular ages or age groups of children and adolescents, based on developing cognitive,
- 49.24 emotional, and behavioral capacity typical for the age or age group.

49.25 (c) "Medically accurate" means verified or supported by research conducted in

49.26 compliance with scientific methods and published in peer-reviewed journals, where

49.27 appropriate, and recognized as accurate and objective by professional organizations

49.28 and agencies in the relevant field, such as the federal Centers for Disease Control

49.29 and Prevention, the American Public Health Association, the American Academy of

49.30 Pediatrics, or the American College of Obstetricians and Gynecologists.

49.31 **Subd. 2. Curriculum requirements.** (a) A school district must offer and may

49.32 independently establish policies, procedures, curriculum, and services for providing

49.33 responsible family life and sexuality education that is age appropriate and medically

49.34 accurate for grades 7 through 12.

50.1 (b) A school district must consult with parents or guardians of enrolled students  
50.2 when establishing policies, procedures, curriculum, and services under this subdivision.

50.3 Subd. 3. **Notice and parental options.** (a) It is the legislature's intent to encourage  
50.4 pupils to communicate with their parents or guardians about human sexuality and to respect  
50.5 rights of parents or guardians to supervise their children's education on these subjects.

50.6 (b) Parents or guardians may excuse their children from all or part of a responsible  
50.7 family life and sexuality education program.

50.8 (c) A school district must establish policies and procedures consistent with  
50.9 paragraph (e) and this section for providing parents or guardians reasonable notice with  
50.10 the following information:

50.11 (1) if the district is offering a responsible family life and sexuality education program  
50.12 to the parents' or guardians' child during the course of the year;

50.13 (2) how the parents or guardians may inspect the written and audio/visual  
50.14 educational materials used in the program and the process for inspection;

50.15 (3) if the program is presented by school district personnel or outside consultants,  
50.16 and if outside consultants are used, who they may be; and

50.17 (4) parents' or guardians' right to choose not to have their child participate in the  
50.18 program and the procedure for exercising that right.

50.19 (d) A school district must establish policies and procedures for reasonably restricting  
50.20 the availability of written and audio/visual educational materials from public view of  
50.21 students who have been excused from all or part of a responsible family life and sexuality  
50.22 education program at the request of a parent or guardian, consistent with paragraph (e)  
50.23 and this section.

50.24 (e) A school district may offer a responsible family life and sexuality education  
50.25 program under this section to a pupil only with the prior written consent of the pupil's  
50.26 parent or guardian. A school district must make reasonable arrangements with school  
50.27 personnel for alternative instruction for those pupils whose parents or guardians refuse to  
50.28 give their consent, and must not impose an academic or other penalty upon a pupil merely  
50.29 for arranging the alternative instruction. School personnel may evaluate and assess the  
50.30 quality of the pupil's work completed as part of the alternative instruction.

50.31 Subd. 4. **Assistance to school districts.** (a) The Department of Education may  
50.32 offer services to school districts to help them implement effective responsible family life  
50.33 and sexuality education programs. In making these services available the department  
50.34 may provide:

- 51.1 (1) training for teachers, parents, and community members in the development of  
51.2 responsible family life and sexuality education curriculum or services and in planning  
51.3 for monitoring and evaluation activities;
- 51.4 (2) resource staff persons to provide expert training, curriculum development and  
51.5 implementation, and evaluation services;
- 51.6 (3) technical assistance to promote and coordinate community, parent, and youth  
51.7 forums in communities identified as having high needs for responsible family life and  
51.8 sexuality education;
- 51.9 (4) technical assistance for issue management and policy development training for  
51.10 school boards, superintendents, principals, and administrators across the state; and
- 51.11 (b) Technical assistance in accordance with National Health Education Standards  
51.12 provided by the department to school districts may:
- 51.13 (1) promote instruction and use of materials that are age appropriate;  
51.14 (2) provide information that is medically accurate and objective;  
51.15 (3) provide instruction and promote use of materials that are respectful of marriage  
51.16 and commitments in relationships;
- 51.17 (4) provide instruction and promote use of materials that are appropriate for use  
51.18 with pupils and family experiences based on race, gender, sexual orientation, ethnic  
51.19 and cultural background, and appropriately accommodate alternative learning based on  
51.20 language or disability;
- 51.21 (5) provide instruction and promote use of materials that encourage pupils to  
51.22 communicate with their parents or guardians about human sexuality;
- 51.23 (6) provide instruction and promote use of age-appropriate materials that teach  
51.24 abstinence from sexual intercourse as the only certain way to prevent unintended  
51.25 pregnancy or sexually transmitted infections, including HIV and HPV, and provide  
51.26 information about the role and value of abstinence while also providing medically accurate  
51.27 information on other methods of preventing and reducing risk for unintended pregnancy  
51.28 and sexually transmitted infections;
- 51.29 (7) provide instruction and promote use of age-appropriate materials that are  
51.30 medically accurate in explaining transmission modes, risks, symptoms, and treatments for  
51.31 sexually transmitted infections, including HIV and HPV;
- 51.32 (8) provide instruction and promote use of age-appropriate materials that address  
51.33 varied societal views on sexuality, sexual behaviors, pregnancy, and sexually transmitted  
51.34 infections, including HIV and HPV, in an age-appropriate manner;
- 51.35 (9) provide instruction and promote use of age-appropriate materials that provide  
51.36 information about the effectiveness and safety of all FDA-approved methods for

52.1 preventing and reducing risk for unintended pregnancy and sexually transmitted infections,  
52.2 including HIV and HPV;

52.3 (10) provide instruction and promote use of age-appropriate materials that provide  
52.4 instruction in skills for making and implementing responsible decisions about sexuality;

52.5 (11) provide instruction and promote use of age-appropriate materials that provide  
52.6 instruction in skills for making and implementing responsible decisions about finding and  
52.7 using health services; and

52.8 (12) provide instruction and promote use of age-appropriate materials that do not  
52.9 teach or promote religious doctrine nor reflect or promote bias against any person on the  
52.10 basis of any category protected under the Minnesota Human Rights Act, chapter 363A.

52.11 Sec. 17. Minnesota Statutes 2006, section 122A.16, is amended to read:

52.12 **122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

52.13 (a) A qualified teacher is one holding a valid license, under this chapter, to perform  
52.14 the particular service for which the teacher is employed in a public school.

52.15 (b) For the purposes of the federal No Child Left Behind Act, a highly qualified  
52.16 ~~teacher is one who holds a valid license under this chapter to perform the particular service~~  
52.17 ~~for which the teacher is employed in a public school or who meets the requirements of a~~  
52.18 ~~highly objective uniform state standard of evaluation (HOUSSE) means a teacher who:~~

52.19 (1) has obtained full state certification or passed the state teacher licensing  
52.20 examination and holds a license to teach in the state;

52.21 (2) does not have certification or licensure requirements waived on an emergency,  
52.22 temporary, or provisional basis;

52.23 (3) holds a minimum of a bachelor's degree; and

52.24 (4) has demonstrated subject matter competency in core academic subjects.

52.25 ~~All Minnesota teachers teaching in a core academic subject area, as defined by the~~  
52.26 ~~federal No Child Left Behind Act, in which they are not fully licensed may complete the~~  
52.27 ~~following HOUSSE process in the core subject area for which the teacher is requesting~~  
52.28 ~~highly qualified status by completing an application, in the form and manner described by~~  
52.29 ~~the commissioner, that includes:~~

52.30 ~~(1) documentation of student achievement as evidenced by norm-referenced test~~  
52.31 ~~results that are objective and psychometrically valid and reliable;~~

52.32 ~~(2) evidence of local, state, or national activities, recognition, or awards for~~  
52.33 ~~professional contribution to achievement;~~

53.1 ~~(3) description of teaching experience in the teachers' core subject area in a public~~  
53.2 ~~school under a waiver, variance, limited license or other exception, nonpublic school, and~~  
53.3 ~~postsecondary institution;~~

53.4 ~~(4) test results from the Praxis II content test;~~

53.5 ~~(5) evidence of advanced certification from the National Board for Professional~~  
53.6 ~~Teaching Standards;~~

53.7 ~~(6) evidence of the successful completion of course work or pedagogy courses; and~~

53.8 ~~(7) evidence of the successful completion of high quality professional development~~  
53.9 ~~activities;~~

53.10 ~~Districts must assign a school administrator to serve as a HOUSSE reviewer to~~  
53.11 ~~meet with teachers under this paragraph and, where appropriate, certify the teachers'~~  
53.12 ~~applications. Teachers satisfy the definition of highly qualified when the teachers receive~~  
53.13 ~~at least 100 of the total number of points used to measure the teachers' content expertise~~  
53.14 ~~under clauses (1) to (7). Teachers may acquire up to 50 points only in any one clause (1)~~  
53.15 ~~to (7). Teachers may use the HOUSSE process to satisfy the definition of highly qualified~~  
53.16 ~~for more than one subject area.~~

53.17 ~~(c) Achievement of the HOUSSE criteria is not equivalent to a license. A teacher~~  
53.18 ~~must obtain permission from the Board of Teaching in order to teach in a public school~~  
53.19 Subject matter competency to meet federal highly qualified teacher requirements is  
53.20 determined by the state.

53.21 Sec. 18. Minnesota Statutes 2006, section 122A.414, subdivision 1, is amended to read:

53.22 Subdivision 1. **Restructured pay system.** A restructured alternative teacher  
53.23 professional pay system that may include experience and educational credits is  
53.24 established under subdivision 2 to provide incentives to encourage teachers to improve  
53.25 their knowledge and instructional skills in order to improve student learning and for  
53.26 school districts, intermediate school districts, and charter schools to recruit and retain  
53.27 highly qualified teachers, encourage highly qualified teachers to undertake challenging  
53.28 assignments, and support teachers' roles in improving students' educational achievement.

53.29 **EFFECTIVE DATE.** This section is effective for the 2007-2008 school year and  
53.30 later.

53.31 Sec. 19. Minnesota Statutes 2006, section 122A.415, subdivision 1, is amended to read:

53.32 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
53.33 school site, or charter school that meets the conditions of section 122A.414 and submits an

54.1 application approved by the commissioner is eligible for alternative teacher compensation  
54.2 revenue.

54.3 (b) For school district and intermediate school district applications, the commissioner  
54.4 must consider only those applications to participate that are submitted jointly by a  
54.5 district and the exclusive representative of the teachers. The application must contain an  
54.6 alternative teacher professional pay system agreement that:

54.7 (1) implements an alternative teacher professional pay system consistent with  
54.8 section 122A.414; and

54.9 (2) is negotiated and adopted according to the Public Employment Labor Relations  
54.10 Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a  
54.11 district may enter into a contract for a term of two or four years.

54.12 Alternative teacher compensation revenue for a qualifying school district or site in  
54.13 which the school board and the exclusive representative of the teachers agree to place  
54.14 teachers in the district or at the site on the alternative teacher professional pay system  
54.15 equals \$260 times the number of pupils enrolled at the district or site on October 1 of  
54.16 the previous fiscal year. Alternative teacher compensation revenue for a qualifying  
54.17 intermediate school district must be calculated under section 126C.10, subdivision 34,  
54.18 ~~paragraphs (a) and (b)~~ paragraph (c).

54.19 (c) For a newly combined or consolidated district, the revenue shall be computed  
54.20 using the sum of pupils enrolled on October 1 of the previous year in the districts entering  
54.21 into the combination or consolidation. The commissioner may adjust the revenue  
54.22 computed for a site using prior year data to reflect changes attributable to school closings,  
54.23 school openings, or grade level reconfigurations between the prior year and the current  
54.24 year.

54.25 (d) The revenue is available only to school districts, intermediate school districts,  
54.26 school sites, and charter schools that fully implement an alternative teacher professional  
54.27 pay system by October 1 of the current school year.

54.28 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

54.29 Sec. 20. Minnesota Statutes 2006, section 122A.60, subdivision 3, is amended to read:

54.30 Subd. 3. **Staff development outcomes.** The advisory staff development committee  
54.31 must adopt a staff development plan for improving student achievement. The plan must  
54.32 be consistent with education outcomes that the school board determines. The plan  
54.33 must include ongoing staff development activities that contribute toward continuous  
54.34 improvement in achievement of the following goals:

55.1 (1) improve student achievement of state and local education standards in all areas  
55.2 of the curriculum by using best practices methods;

55.3 (2) effectively meet the needs of a diverse student population, including at-risk  
55.4 children, children with disabilities, and gifted children, within the regular classroom  
55.5 and other settings;

55.6 (3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse  
55.7 student population that is consistent with the state education diversity rule and the district's  
55.8 education diversity plan;

55.9 (4) improve staff collaboration and develop mentoring and peer coaching programs  
55.10 for teachers new to the school or district;

55.11 (5) effectively teach and model violence prevention policy and curriculum that  
55.12 address early intervention alternatives, issues of harassment, and teach nonviolent  
55.13 alternatives for conflict resolution; ~~and~~

55.14 (6) provide teachers and other members of site-based management teams with  
55.15 appropriate management and financial management skills; and

55.16 (7) improve and increase teachers' knowledge of the academic subjects they teach.

55.17 Sec. 21. Minnesota Statutes 2006, section 122A.61, subdivision 1, is amended to read:

55.18 Subdivision 1. **Staff development revenue.** A district is required to reserve  
55.19 an amount equal to at least two percent of the basic revenue under section 126C.10,  
55.20 subdivision 2, for in-service education for programs under section 120B.22, subdivision 2,  
55.21 for staff development plans, including plans for challenging instructional activities and  
55.22 experiences under section 122A.60, and for curriculum development and programs, other  
55.23 in-service education, teachers' workshops, teacher conferences, the cost of substitute  
55.24 teachers staff development purposes, preservice and in-service education for special  
55.25 education professionals and paraprofessionals, higher education courses and programs in  
55.26 teachers' areas of licensure, and other related costs for staff development efforts. A district  
55.27 may annually waive the requirement to reserve their basic revenue under this section if  
55.28 a majority vote of the licensed teachers in the district and a majority vote of the school  
55.29 board agree to a resolution to waive the requirement. A district in statutory operating debt  
55.30 is exempt from reserving basic revenue according to this section. Districts may expend an  
55.31 additional amount of unreserved revenue for staff development based on their needs. With  
55.32 the exception of amounts reserved for staff development from revenues allocated directly  
55.33 to school sites, the board must initially allocate 50 percent of the reserved revenue to each  
55.34 school site in the district on a per teacher basis, which must be retained by the school site  
55.35 until used. The board may retain 25 percent to be used for district wide staff development

56.1 efforts. The remaining 25 percent of the revenue must be used to make grants to school  
 56.2 sites for best practices methods. A grant may be used for any purpose authorized under  
 56.3 section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and  
 56.4 programs, other in-service education, teachers' workshops, teacher conferences, substitute  
 56.5 teachers for staff development purposes, and other staff development efforts, and  
 56.6 determined by the site professional development team. The site professional development  
 56.7 team must demonstrate to the school board the extent ~~to which~~ that staff at the site have  
 56.8 met the outcomes of the program. The board may withhold a portion of initial allocation  
 56.9 of revenue if the staff development outcomes are not being met.

56.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

56.11 Sec. 22. **[122A.633] SCHOLAR LOANS TO PREPARE TEACHERS OF COLOR.**

56.12 **Subdivision 1. Establishment; definitions.** (a) A scholar loan program is  
 56.13 established to encourage academically talented postsecondary students of color to become  
 56.14 teachers of early childhood, elementary, or secondary education.

56.15 (b) For the purposes of this section, the following terms have the meanings given  
 56.16 them:

56.17 (1) "student of color" means a student who is African American, American Indian,  
 56.18 Alaskan native, Asian American or Pacific Islander, or Hispanic; and

56.19 (2) "director" means the director of the Minnesota Office of Higher Education.

56.20 **Subd. 2. Eligibility.** To be eligible for a scholar loan, a student of color must:

56.21 (1) be an American citizen residing in Minnesota;

56.22 (2) be registered as a junior or senior in a Minnesota public or private postsecondary  
 56.23 institution and enrolled in a teacher preparation program approved by the Board of  
 56.24 Teaching at that postsecondary institution;

56.25 (3) be making satisfactory progress towards a baccalaureate degree with a major  
 56.26 in education;

56.27 (4) agree to teach in a Minnesota school district with a student of color population of  
 56.28 at least 15 percent or a desegregation/integration plan approved by the commissioner of  
 56.29 education; and

56.30 (5) meet academic criteria specified by the director in consultation with the  
 56.31 commissioner.

56.32 **Subd. 3. Application process; awarding scholar loans.** (a) The director, in  
 56.33 consultation with the commissioner of education, shall award scholar loans to eligible  
 56.34 students of color. A student of color must submit an application for a scholar loan to  
 56.35 the director in the form and manner determined by the director in consultation with the

57.1 commissioner. The application must include the criteria in subdivision 2 and any other  
57.2 information required by the director.

57.3 (b) A student of color may receive scholar loans for two consecutive academic  
57.4 years if the student of color remains enrolled full time in a teacher preparation program  
57.5 and continues to make satisfactory progress toward the baccalaureate degree. For each  
57.6 academic year, a loan may not exceed the lesser of the cost of tuition, fees, books, and  
57.7 on-campus housing, if applicable, or a maximum amount of \$10,000. The director must  
57.8 award ten percent of the scholar loans to students of color who transfer from a Minnesota  
57.9 public community or technical college to a Minnesota public or private college or  
57.10 university with an approved teacher preparation program.

57.11 (c) The director must spend up to five percent of any appropriation for promotion of  
57.12 the scholar loan program, recruitment of students of color to the program, and retention  
57.13 and mentoring of students of color while attending a teacher preparation program and  
57.14 teaching in an eligible Minnesota public school under subdivision 2, clause (4). The  
57.15 director must consult with the commissioner to consider the use of existing state programs,  
57.16 as appropriate, to provide the services under this paragraph.

57.17 Subd. 4. **Loan forgiveness; deferral; repayment.** (a) A scholar loan may be  
57.18 forgiven if a recipient is employed as a teacher under section 122A.40 or 122A.41 in an  
57.19 eligible school under subdivision 2, clause (4). The director shall forgive up to \$2,500 of  
57.20 the principal of the outstanding loan amount for successful completion of each school year  
57.21 of full-time teaching up to four school years of teaching in an eligible school or a pro rata  
57.22 amount of the principal for eligible employment during part of a school year, part-time  
57.23 employment as a substitute, or other part-time teaching.

57.24 (b) If there is no eligible employment available, the director may grant an exemption  
57.25 from the 15 percent district student of color teaching requirement or a deferral from  
57.26 payment of principal and interest on the loan. The director may also grant a deferral  
57.27 of payment of principal and interest on the loan during any time period the recipient is  
57.28 enrolled at least one-half time in an advanced degree program in a field that leads to  
57.29 employment by a school district. The recipient shall apply for a loan deferral by submitting  
57.30 written notification to the director in a form and manner established by the director.

57.31 (c) A recipient with an outstanding scholar loan amount who is not having the loan  
57.32 forgiven under paragraph (a) or deferred under paragraph (b) must repay the principal of  
57.33 the loan plus interest at the rate of six percent. The interest rate must begin accruing the  
57.34 first day of the first month following the last month of the period of forgiveness or deferral.  
57.35 Interest does not accrue during the period of forgiveness or deferral.

58.1 (d) The director shall establish repayment procedures for scholar loans including,  
58.2 at least, variable repayment schedules consistent with the need and anticipated income  
58.3 streams of loan recipients. The repayment period begins the first day of the first month  
58.4 after:

58.5 (1) the recipient terminates full-time enrollment in an approved teacher preparation  
58.6 program;

58.7 (2) the recipient completes an approved teacher preparation program and does not  
58.8 teach in an eligible school under subdivision 2, clause (4), or have an exemption under  
58.9 paragraph (b);

58.10 (3) the period of forgiveness under paragraph (a) ends; or

58.11 (4) the period of deferral under paragraph (b) ends.

58.12 Subd. 5. **Revolving fund.** The scholar loan repayment revolving account is  
58.13 established in the state treasury. Any amounts repaid by a loan recipient shall be deposited  
58.14 in the account. All money in the account is annually appropriated to the director for the  
58.15 purposes of the scholar loan program under this section.

58.16 Sec. 23. Minnesota Statutes 2006, section 122A.72, subdivision 5, is amended to read:

58.17 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according  
58.18 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment  
58.19 with the use of multiple instructional approaches, assess pupil outcomes, assess staff  
58.20 development needs and plans, and teach school personnel about effective pedagogical  
58.21 approaches. The center shall develop and produce curricula and curricular materials  
58.22 designed to meet the educational needs of pupils being served, by applying educational  
58.23 research and new and improved methods, practices, and techniques. The center shall  
58.24 provide programs to improve the skills of teachers to meet the special educational needs of  
58.25 pupils. The center shall provide programs to familiarize teachers with developments in  
58.26 curriculum formulation and educational research, including how research can be used to  
58.27 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,  
58.28 and approaches directly related to classroom instruction and improve teachers' familiarity  
58.29 with current teaching materials and products for use in their classrooms. The center shall  
58.30 provide in-service programs.

58.31 (b) Each teacher center must provide a professional development program to train  
58.32 interested and highly qualified elementary, middle, and secondary teachers, selected by the  
58.33 employing school district, to assist other teachers in that district with mathematics and  
58.34 science curriculum, standards, and instruction so that all teachers have access to:

59.1 (1) high quality professional development programs in mathematics and science  
59.2 that address curriculum, instructional methods, alignment of standards, and performance  
59.3 measurements, enhance teacher and student learning, and support state mathematics and  
59.4 science standards; and

59.5 (2) research-based mathematics and science programs and instructional models  
59.6 premised on best practices that inspire teachers and students and have practical classroom  
59.7 application.

59.8 **EFFECTIVE DATE.** This section is effective for the 2007-2008 school year and  
59.9 later.

59.10 Sec. 24. Minnesota Statutes 2006, section 123B.37, subdivision 1, is amended to read:

59.11 Subdivision 1. **Boards shall not charge certain fees.** (a) A board is not authorized  
59.12 to charge fees in the following areas:

59.13 (1) textbooks, workbooks, art materials, laboratory supplies, towels;

59.14 (2) supplies necessary for participation in any instructional course except as  
59.15 authorized in sections 123B.36 and 123B.38;

59.16 (3) field trips that are required as a part of a basic education program or course;

59.17 (4) graduation caps, gowns, any specific form of dress necessary for any educational  
59.18 program, and diplomas;

59.19 (5) instructional costs for necessary school personnel employed in any course or  
59.20 educational program required for graduation;

59.21 (6) library books required to be utilized for any educational course or program;

59.22 (7) admission fees, dues, or fees for any activity the pupil is required to attend;

59.23 (8) any admission or examination cost for any required educational course or  
59.24 program;

59.25 (9) locker rentals;

59.26 (10) transportation to and from school of pupils living two miles or more from  
59.27 school.

59.28 (b) Notwithstanding paragraph (a), clauses (1) and (6), a board may charge fees  
59.29 for textbooks, workbooks, and library books, lost or destroyed by students. The board  
59.30 must annually notify parents or guardians and students about its policy to charge a fee  
59.31 under this paragraph.

59.32 (c) A school board must not charge a fee to a person serving in active military  
59.33 service under section 190.05, subdivision 5, who requests that the school district or  
59.34 charter school transmit a copy of the person's transcript to a postsecondary institution or

60.1 prospective employer. The school district or charter school may request reasonable proof  
60.2 of the service member's current military duty status.

60.3 **Sec. 25. [123B.485] NONPUBLIC TRANSCRIPTS.**

60.4 A nonpublic school that receives services or aid under sections 123B.40 to 123B.48  
60.5 must not charge a fee to a person serving in active military service under section 190.05,  
60.6 subdivision 5, who requests that the nonpublic school transmit a copy of the person's  
60.7 transcript to a postsecondary institution or prospective employer. The nonpublic school  
60.8 may request reasonable proof of the service member's current military status.

60.9 **Sec. 26. Minnesota Statutes 2006, section 123B.92, subdivision 3, is amended to read:**

60.10 **Subd. 3. Alternative attendance programs.** (a) A district that enrolls nonresident  
60.11 pupils in programs under sections 124D.03, 124D.06, 124D.08, 123A.05 to 123A.08,  
60.12 and 124D.68, must provide authorized transportation to the pupil within the attendance  
60.13 area for the school that the pupil attends at the same level of service that is provided to  
60.14 resident pupils within the attendance area. The resident district need not provide or pay for  
60.15 transportation between the pupil's residence and the district's border.

60.16 (b) A district may provide transportation to allow a student who attends a high-need  
60.17 English language learner program and who resides within the transportation attendance  
60.18 area of the program to continue in the program until the student completes the highest  
60.19 grade level offered by the program.

60.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

60.21 **Sec. 27. [124D.091] CONCURRENT ENROLLMENT PROGRAM AID.**

60.22 **Subdivision 1. Accreditation.** To establish a uniform standard by which  
60.23 concurrent enrollment courses and professional development activities may be measured,  
60.24 postsecondary institutions are encouraged to apply for accreditation by the National  
60.25 Alliance of Concurrent Enrollment Partnership.

60.26 **Subd. 2. Eligibility.** A district that offers a concurrent enrollment course according  
60.27 to an agreement under section 124D.09, subdivision 10, is eligible to receive aid for the  
60.28 costs of providing postsecondary courses at the high school. Beginning in fiscal year 2011,  
60.29 districts only are eligible for aid if the college or university concurrent enrollment courses  
60.30 offered by the district are accredited by the National Alliance of Concurrent Enrollment  
60.31 Partnership, in the process of being accredited, or are shown by clear evidence to be of  
60.32 comparable standard to accredited courses.

61.1 Subd. 3. Aid. An eligible district shall receive \$150 per pupil enrolled in a  
61.2 concurrent enrollment course. The money must be used to defray the cost of delivering  
61.3 the course at the high school. The commissioner shall establish application procedures  
61.4 and deadlines for receipt of aid payments.

61.5 Sec. 28. Minnesota Statutes 2006, section 124D.095, subdivision 2, is amended to read:

61.6 Subd. 2. **Definitions.** For purposes of this section, the following terms have the  
61.7 meanings given them.

61.8 (a) "Online learning" is an interactive course or program that delivers instruction  
61.9 from a teacher to a student by computer; is combined with other traditional delivery  
61.10 methods that include frequent student assessment and may include actual teacher contact  
61.11 time; and meets or exceeds state academic standards.

61.12 (b) "Online learning provider" is a school district, an intermediate school district, an  
61.13 organization of two or more school districts operating under a joint powers agreement, or  
61.14 a charter school located in Minnesota that provides online learning to students.

61.15 (c) "Student" is a Minnesota resident enrolled in a school under section 120A.22,  
61.16 subdivision 4, in kindergarten through grade 12.

61.17 (d) "Online learning student" is a student enrolled in an online learning course or  
61.18 program delivered by an online provider under paragraph (b).

61.19 (e) "Enrolling district" means the school district or charter school in which a student  
61.20 is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

61.21 (f) "Supplemental online learning" means an online course taken in place of a course  
61.22 period during the regular school day at a local district school.

61.23 (g) "Full-time online provider" means an enrolling school authorized by the  
61.24 department to deliver comprehensive public education at any or all of the elementary,  
61.25 middle, or high school levels.

61.26 Sec. 29. Minnesota Statutes 2006, section 124D.095, subdivision 3, is amended to read:

61.27 Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may  
61.28 apply ~~to an online learning provider to enroll in online learning~~ for full-time enrollment in  
61.29 an approved online learning program under section 124D.03, 124D.08 or 124D.10, or for  
61.30 supplemental online learning. Notwithstanding sections 124D.03, 124D.08, and 124D.10,  
61.31 procedures for enrolling in online learning shall be as provided in this subdivision. A  
61.32 student age 17 or younger must have the written consent of a parent or guardian to apply.  
61.33 No school district or charter school may prohibit a student from applying to enroll in  
61.34 online learning. ~~An online learning provider that accepts a student under this section must,~~

62.1 ~~within ten days, notify the student and the enrolling district if the enrolling district is not~~  
 62.2 ~~the online learning provider. The notice must report the student's course or program and~~  
 62.3 ~~hours of instruction.~~ In order that a student may enroll in online learning, the student  
 62.4 and the student's parents must submit an application to the online learning provider and  
 62.5 identify the reason for enrolling in online learning. The online learning provider that  
 62.6 accepts a student under this section must within ten days notify the student and the  
 62.7 enrolling district in writing if the enrolling district is not the online learning provider. The  
 62.8 student and family must notify the online learning provider of their intent to enroll in  
 62.9 online learning within ten days of acceptance, at which time the student and parent must  
 62.10 sign a statement of assurance that they have reviewed the online course or program and  
 62.11 understand the expectations of online learning enrollment. The online learning provider  
 62.12 must notify the enrolling district of the student's enrollment in online learning in writing  
 62.13 on a form provided by the department.

62.14 (b) Supplemental online learning notification to the enrolling district upon student  
 62.15 enrollment in the online learning program will include the courses or program, credits  
 62.16 to be awarded, the start date of online enrollment, and confirmation that the courses will  
 62.17 meet the student's graduation plan. A student may enroll in supplemental online learning  
 62.18 courses up to the midpoint of the enrolling district's term. The enrolling district may waive  
 62.19 this requirement for special circumstances and upon acceptance by the online provider.

62.20 ~~(b) An online learning student must notify the enrolling district at least 30 days~~  
 62.21 ~~before taking an online learning course or program if the enrolling district is not providing~~  
 62.22 ~~the online learning.~~ (c) An online learning provider must notify the commissioner that it is  
 62.23 delivering online learning and report the number of online learning students it is accepting  
 62.24 and the online learning courses and programs it is delivering.

62.25 ~~(c)~~ (d) An online learning provider may limit enrollment if the provider's school  
 62.26 board or board of directors adopts by resolution specific standards for accepting and  
 62.27 rejecting students' applications.

62.28 ~~(d)~~ (e) An enrolling district may reduce an online learning student's regular  
 62.29 classroom instructional membership in proportion to the student's membership in online  
 62.30 learning courses.

62.31 Sec. 30. Minnesota Statutes 2006, section 124D.095, subdivision 4, is amended to read:

62.32 Subd. 4. **Online learning parameters.** (a) An online learning student must receive  
 62.33 academic credit for completing the requirements of an online learning course or program.  
 62.34 Secondary credits granted to an online learning student must be counted toward the  
 62.35 graduation and credit requirements of the enrolling district. An online learning provider

63.1 must make available to the enrolling district the course syllabus, standard alignment,  
63.2 content outline, assessment requirements, and contact information for supplemental online  
63.3 courses taken by students in the enrolling district. The enrolling district must apply the  
63.4 same graduation requirements to all students, including online learning students, and  
63.5 must continue to provide nonacademic services to online learning students. If a student  
63.6 completes an online learning course or program that meets or exceeds a graduation  
63.7 standard or grade progression requirement at the enrolling district, that standard or  
63.8 requirement is met. The enrolling district must use the same criteria for accepting online  
63.9 learning credits or courses as it does for accepting credits or courses for transfer students  
63.10 under section 124D.03, subdivision 9. The enrolling district may reduce the ~~teacher~~  
63.11 ~~contact time~~ course schedule of an online learning student in proportion to the number  
63.12 of online learning courses the student takes from an online learning provider that is not  
63.13 the enrolling district.

63.14 (b) An online learning student may:

63.15 (1) enroll in supplemental online learning courses during a single school year ~~in a~~  
63.16 ~~maximum of 12 semester-long courses or their equivalent delivered by an online learning~~  
63.17 ~~provider or the enrolling district~~ to a maximum of 50 percent of the student's full schedule  
63.18 of courses per term. A student may exceed the supplemental online learning registration  
63.19 limit if the enrolling district grants permission for supplemental online learning enrollment  
63.20 above the limit, or if an agreement is made between the enrolling district and the online  
63.21 learning provider for instructional services;

63.22 (2) complete course work at a grade level that is different from the student's current  
63.23 grade level; and

63.24 (3) enroll in additional courses with the online learning provider under a separate  
63.25 agreement that includes terms for payment of any tuition or course fees.

63.26 (c) An online learning student has the same access to the computer hardware and  
63.27 education software available in a school as all other students in the enrolling district. An  
63.28 online learning provider must assist an online learning student whose family qualifies  
63.29 for the education tax credit under section 290.0674 to acquire computer hardware and  
63.30 educational software for online learning purposes.

63.31 (d) An enrolling district may offer online learning to its enrolled students. Such  
63.32 online learning does not generate online learning funds under this section. An enrolling  
63.33 district that offers online learning only to its enrolled students is not subject to the  
63.34 reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota  
63.35 license must assemble and deliver instruction to enrolled students receiving online  
63.36 learning from an enrolling district. The delivery of instruction occurs when the student

64.1 interacts with the computer or the teacher and receives ongoing assistance and assessment  
64.2 of learning. The instruction may include curriculum developed by persons other than a  
64.3 teacher with a Minnesota license.

64.4 (e) An online learning provider that is not the enrolling district is subject to  
64.5 the reporting requirements and review criteria under subdivision 7. A teacher with a  
64.6 Minnesota license must assemble and deliver instruction to online learning students. The  
64.7 delivery of instruction occurs when the student interacts with the computer or the teacher  
64.8 and receives ongoing assistance and assessment of learning. The instruction may include  
64.9 curriculum developed by persons other than a teacher with a Minnesota license. Unless  
64.10 the commissioner grants a waiver, a teacher providing online learning instruction must not  
64.11 instruct more than 40 students in any one online learning course or program.

64.12 (f) To enroll in more than 50 percent of the student's full schedule of courses per term  
64.13 in online learning, the student must qualify to exceed the supplemental online learning  
64.14 registration limit under paragraph (b) or apply for enrollment to an approved full-time  
64.15 online learning program following appropriate procedures in subdivision 3, paragraph (a).  
64.16 Full-time online learning students may enroll in classes at a local school per contract for  
64.17 instructional services between the online learning provider and the school district.

64.18 Sec. 31. Minnesota Statutes 2006, section 124D.095, subdivision 7, is amended to read:

64.19 Subd. 7. **Department of Education.** (a) The department must review and certify  
64.20 online learning providers. The online learning courses and programs must be rigorous,  
64.21 aligned with state academic standards, and contribute to grade progression in a single  
64.22 subject. Online learning providers must ~~affirm~~ demonstrate to the commissioner that  
64.23 online learning courses have equivalent standards or instruction, curriculum, and  
64.24 assessment requirements as other courses offered to enrolled students. The online learning  
64.25 provider must also demonstrate expectations for actual teacher contact time or other  
64.26 student-to-teacher communication. Once an online learning provider is approved under  
64.27 this paragraph, all of its online learning course offerings are eligible for payment under  
64.28 this section unless a course is successfully challenged by an enrolling district or the  
64.29 department under paragraph (b).

64.30 (b) An enrolling district may challenge the validity of a course offered by an online  
64.31 learning provider. The department must review such challenges based on the certification  
64.32 procedures under paragraph (a). The department may initiate its own review of the validity  
64.33 of an online learning course offered by an online learning provider.

64.34 (c) The department may collect a fee not to exceed \$250 for certifying online  
64.35 learning providers or \$50 per course for reviewing a challenge by an enrolling district.

65.1 (d) The department must develop, publish, and maintain a list of approved online  
65.2 learning providers and online learning courses and programs that it has reviewed and  
65.3 certified.

65.4 Sec. 32. Minnesota Statutes 2006, section 124D.10, subdivision 4, is amended to read:

65.5 Subd. 4. **Formation of school.** (a) A sponsor may authorize one or more licensed  
65.6 teachers under section 122A.18, subdivision 1, to operate a charter school subject to  
65.7 approval by the commissioner. A board must vote on charter school application for  
65.8 sponsorship no later than 90 days after receiving the application. ~~After 90 days, the~~  
65.9 ~~applicant may apply to the commissioner. If a board elects not to sponsor a charter school,~~  
65.10 ~~the applicant may appeal the board's decision to the commissioner who may elect to assist~~  
65.11 ~~the applicant in finding an eligible sponsor.~~ The school must be organized and operated as  
65.12 a cooperative under chapter 308A or nonprofit corporation under chapter 317A and the  
65.13 provisions under the applicable chapter shall apply to the school except as provided in this  
65.14 section. Notwithstanding sections 465.717 and 465.719, a school district may create a  
65.15 corporation for the purpose of creating a charter school.

65.16 (b) Before the operators may form and operate a school, the sponsor must file an  
65.17 affidavit with the commissioner stating its intent to authorize a charter school. The  
65.18 affidavit must state the terms and conditions under which the sponsor would authorize a  
65.19 charter school and how the sponsor intends to oversee the fiscal and student performance  
65.20 of the charter school and to comply with the terms of the written contract between the  
65.21 sponsor and the charter school board of directors under subdivision 6. The commissioner  
65.22 must approve or disapprove the sponsor's proposed authorization within 90 days of  
65.23 receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from  
65.24 authorizing the charter school that was the subject of the affidavit.

65.25 (c) The operators authorized to organize and operate a school, before entering into  
65.26 a contract or other agreement for professional or other services, goods, or facilities,  
65.27 must incorporate as a cooperative under chapter 308A or as a nonprofit corporation  
65.28 under chapter 317A and must establish a board of directors composed of at least five  
65.29 members until a timely election for members of the charter school board of directors is  
65.30 held according to the school's articles and bylaws. A charter school board of directors  
65.31 must be composed of at least five members. Any staff members who are employed at the  
65.32 school, including teachers providing instruction under a contract with a cooperative, and  
65.33 all parents of children enrolled in the school may participate in the election for members  
65.34 of the school's board of directors. Licensed teachers employed at the school, including  
65.35 teachers providing instruction under a contract with a cooperative, must be a majority

66.1 of the members of the board of directors before the school completes its third year of  
66.2 operation, unless the commissioner waives the requirement for a majority of licensed  
66.3 teachers on the board. Board of director meetings must comply with chapter 13D.

66.4 (d) The granting or renewal of a charter by a sponsoring entity must not be  
66.5 conditioned upon the bargaining unit status of the employees of the school.

66.6 (e) A sponsor may authorize the operators of a charter school to expand the  
66.7 operation of the charter school to additional sites or to add additional grades at the school  
66.8 beyond those described in the sponsor's application as approved by the commissioner only  
66.9 after submitting a supplemental application to the commissioner in a form and manner  
66.10 prescribed by the commissioner. The supplemental application must provide evidence that:

66.11 (1) the expansion of the charter school is supported by need and projected enrollment;

66.12 (2) the charter school is fiscally sound;

66.13 (3) the sponsor supports the expansion; and

66.14 (4) the building of the additional site meets all health and safety requirements to  
66.15 be eligible for lease aid.

66.16 (f) The commissioner annually must provide timely financial management training  
66.17 to newly elected members of a charter school board of directors and ongoing training to  
66.18 other members of a charter school board of directors. Training must address ways to:

66.19 (1) proactively assess opportunities for a charter school to maximize all available  
66.20 revenue sources;

66.21 (2) establish and maintain complete, auditable records for the charter school;

66.22 (3) establish proper filing techniques;

66.23 (4) document formal actions of the charter school, including meetings of the charter  
66.24 school board of directors;

66.25 (5) properly manage and retain charter school and student records;

66.26 (6) comply with state and federal payroll record-keeping requirements; and

66.27 (7) address other similar factors that facilitate establishing and maintaining complete  
66.28 records on the charter school's operations.

66.29 Sec. 33. Minnesota Statutes 2006, section 124D.10, subdivision 23a, is amended to  
66.30 read:

66.31 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from  
66.32 entering a lease of real property with a related party as defined in ~~this~~ subdivision 26, unless  
66.33 the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter  
66.34 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

66.35 (b) For purposes of this ~~subdivision~~ section and section 124D.11:

67.1 (1) A "related party" is an affiliate or close relative of the other party in question, an  
67.2 affiliate of a close relative, or a close relative of an affiliate.

67.3 (2) "Affiliate" means a person that directly, or indirectly through one or more  
67.4 intermediaries, controls, or is controlled by, or is under common control with, another  
67.5 person.

67.6 (3) "Close relative" means an individual whose relationship by blood, marriage, or  
67.7 adoption to another individual is no more remote than first cousin.

67.8 (4) "Person" means an individual or entity of any kind.

67.9 (5) "Control" includes the terms "controlling," "controlled by," and "under common  
67.10 control with" and means the possession, direct or indirect, of the power to direct or cause  
67.11 the direction of the management, operations, or policies of a person, whether through the  
67.12 ownership of voting securities, by contract, or otherwise.

67.13 (c) A lease of real property to be used for a charter school, not excluded in paragraph  
67.14 ~~(b)~~(a), must contain the following statement: "This lease is subject to Minnesota Statutes,  
67.15 section 124D.10, subdivision 23a."

67.16 (d) If a charter school enters into as lessee a lease with a related party and the  
67.17 charter school subsequently closes, the commissioner has the right to recover from the  
67.18 lessor any lease payments in excess of those that are reasonable under section 124D.11,  
67.19 subdivision 4, clause (1).

67.20 Sec. 34. Minnesota Statutes 2006, section 124D.10, subdivision 24, is amended to read:

67.21 Subd. 24. **Pupil enrollment upon nonrenewal or termination of charter school**  
67.22 **contract.** If a contract is not renewed or is terminated according to subdivision 23, a  
67.23 pupil who attended the school, siblings of the pupil, or another pupil who resides in the  
67.24 same place as the pupil may enroll in the resident district or may submit an application  
67.25 to a nonresident district according to section 124D.03 at any time. Applications and  
67.26 notices required by section 124D.03 must be processed and provided in a prompt manner.  
67.27 The application and notice deadlines in section 124D.03 do not apply under these  
67.28 circumstances. The closed charter school must transfer the student's educational records  
67.29 within ten business days of closure to the student's school district of residence where the  
67.30 records must be retained or transferred under section 120A.22, subdivision 7.

67.31 Sec. 35. **[124D.645] MULTIRACIAL DIVERSITY.**

67.32 (a) Notwithstanding other law or rule to the contrary and in order to effectively  
67.33 meet students' educational needs and foster parents' meaningful participation in their  
67.34 children's education, a school district may apply to the commissioner for a waiver from

68.1 the requirement to maintain racial balance within a district school if the racial imbalance  
68.2 in that school results from:

68.3 (1) the enrollment of protected multiracial students and the proportion of enrolled  
68.4 multiracial students reflects the proportion of multiracial students who reside in the school  
68.5 attendance area or who are enrolled in the grade levels served by the district; or

68.6 (2) the enrollment of limited English proficiency students in a transition program  
68.7 that includes an intensive English component.

68.8 The commissioner must grant the waiver if the district in which the school is located offers  
68.9 the multiracial students or the limited English proficiency students, as appropriate, the  
68.10 option of enrolling in another school with the requisite racial balance, and the students'  
68.11 parents choose not to pursue that option.

68.12 (b) This section is effective for the 2006-2007 through 2010-2011 school years or  
68.13 until amended rules are adopted under Minnesota Rules, chapter 3535, pertaining to racial  
68.14 diversity, whichever comes first.

68.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

68.16 Sec. 36. Minnesota Statutes 2006, section 124D.84, subdivision 1, is amended to read:

68.17 Subdivision 1. **Awards.** The commissioner ~~may award~~ shall establish procedures for  
68.18 the distribution of scholarships to any Minnesota resident student who is of one-fourth or  
68.19 more Indian ancestry, who has applied for other existing state and federal scholarship and  
68.20 grant programs, and who, in the opinion of the commissioner, based upon postsecondary  
68.21 institution recommendations, has the capabilities to benefit from further education.

68.22 Scholarships must be for accredited degree programs in accredited Minnesota colleges  
68.23 or universities or for courses in accredited Minnesota business, technical, or vocational  
68.24 schools. Scholarships may also be given to students attending Minnesota colleges that  
68.25 are in candidacy status for obtaining full accreditation, and are eligible for and receiving  
68.26 federal financial aid programs. Students are also eligible for scholarships when enrolled  
68.27 as students in Minnesota higher education institutions that have joint programs with  
68.28 other accredited higher education institutions. ~~Scholarships shall be used to defray the~~  
68.29 ~~total cost of education including tuition, incidental fees, books, supplies, transportation,~~  
68.30 ~~other related school costs and the cost of board and room and shall be paid directly to the~~  
68.31 ~~college or school concerned where the student receives federal financial aid. The total cost~~  
68.32 ~~of education includes all tuition and fees for each student enrolling in a public institution~~  
68.33 ~~and the portion of tuition and fees for each student enrolling in a private institution that~~  
68.34 ~~does not exceed the tuition and fees at a comparable public institution.~~ Each student

69.1 shall be awarded a scholarship based on ~~the total cost of the student's education and~~  
69.2 a federal standardized need analysis after application of federal Pell money, state grant  
69.3 money, and other scholarships. Depending upon students' unmet needs, the Minnesota  
69.4 Indian scholarship program may award up to the current federal Pell grant allowable  
69.5 maximum student award per school year. Applicants are encouraged to apply for all other  
69.6 sources of financial aid.

69.7 When an Indian student satisfactorily completes the work required by a certain  
69.8 college or school in a school year the student is eligible for additional scholarships, if  
69.9 additional training is necessary to reach the student's educational and vocational objective.  
69.10 Scholarships may not be given to any Indian student for more than five years of study at  
69.11 the undergraduate level and five years at the graduate level. Students may acquire only  
69.12 one degree per level and one terminal degree.

69.13 **Sec. 37. [124D.8955] PARENT AND FAMILY INVOLVEMENT POLICY.**

69.14 (a) In order to promote and support student achievement, a local school board must  
69.15 formally adopt and implement a parent and family involvement policy that promotes  
69.16 and supports:

69.17 (1) communication between home and school that is regular, two-way, and  
69.18 meaningful;

69.19 (2) parenting skills;

69.20 (3) parents and caregivers who play an integral role in assisting student learning and  
69.21 learn about fostering students' academic success and learning at home and school;

69.22 (4) welcoming parents in the school and seeking their support and assistance;

69.23 (5) partnerships with parents in the decisions that affect children and families  
69.24 in the schools; and

69.25 (6) providing community resources to strengthen schools, families, and student  
69.26 learning.

69.27 (b) The school board must convene an advisory committee composed of an equal  
69.28 number of resident parents who are not district employees and school staff to make  
69.29 recommendations to the board on developing and evaluating the board's parent and family  
69.30 involvement policy. The advisory committee must represent the diversity of the district.  
69.31 The advisory committee must consider the district's demographic diversity and barriers to  
69.32 parent involvement when developing its recommendations. The advisory committee must  
69.33 present its recommendations to the board for board consideration.

69.34 (c) The board must consider best practices when implementing this policy.

70.1 (d) The board periodically must review this policy to determine whether it is aligned  
70.2 with the most current research findings on parent involvement policies and practices and  
70.3 how effective the policy is in supporting increased student achievement.

70.4 **EFFECTIVE DATE.** This section is effective for the 2007-2008 school year and  
70.5 later.

70.6 Sec. 38. Minnesota Statutes 2006, section 126C.10, subdivision 34, is amended to read:

70.7 Subd. 34. **Basic alternative teacher compensation aid.** (a) ~~For fiscal year 2006,~~  
70.8 ~~the basic alternative teacher compensation aid for a school district or an intermediate~~  
70.9 ~~school district with a plan approved under section 122A.414, subdivision 2b, equals the~~  
70.10 ~~alternative teacher compensation revenue under section 122A.415, subdivision 1. The~~  
70.11 ~~basic alternative teacher compensation aid for a charter school with an approved plan~~  
70.12 ~~under section 122A.414, subdivision 2b, equals \$260 times the number of pupils enrolled~~  
70.13 ~~in the school on October 1 of the previous school year, or on October 1 of the current~~  
70.14 ~~fiscal year for a charter school in the first year of operation.~~

70.15 ~~(b)~~ For fiscal year 2007 and later, the basic alternative teacher compensation aid for  
70.16 a school district with a plan approved under section 122A.414, subdivision 2b, equals  
70.17 73.1 percent of the alternative teacher compensation revenue under section 122A.415,  
70.18 subdivision 1. The basic alternative teacher compensation aid for ~~an intermediate school~~  
70.19 ~~district or~~ a charter school with a plan approved under section 122A.414, subdivisions 2a  
70.20 and 2b, ~~if the recipient is a charter school,~~ equals \$260 times the number of pupils enrolled  
70.21 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal  
70.22 year for a charter school in the first year of operation, times the ratio of the sum of the  
70.23 alternative teacher compensation aid and alternative teacher compensation levy for all  
70.24 participating school districts to the maximum alternative teacher compensation revenue  
70.25 for those districts under section 122A.415, subdivision 1.

70.26 (b) The basic alternative teacher compensation aid for an intermediate school district  
70.27 with a plan approved under section 122A.414, subdivision 2b, equals \$3,800 times the  
70.28 number of licensed teachers teaching in the school on October 1 of the previous fiscal year.

70.29 (c) Notwithstanding paragraphs (a) and (b), and section 122A.415, subdivision 1,  
70.30 the state total basic alternative teacher compensation aid entitlement must not exceed  
70.31 \$19,329,000 for fiscal year 2006 and \$75,636,000 for fiscal year 2007 and later. The  
70.32 commissioner must limit the amount of alternative teacher compensation aid approved  
70.33 under section 122A.415 so as not to exceed these limits.

70.34 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

71.1 Sec. 39. **[197.505] VETERAN'S DAY RECOGNITION.**

71.2 Subdivision 1. Public schools. Every independent, special, and common school  
 71.3 district and every charter school shall honor the federal Veteran's Day holiday by:

71.4 (1) granting to each staff member who is a veteran the option of using Veteran's  
 71.5 Day as a personal leave day; and

71.6 (2) if the school district or school is open and providing instruction on Veteran's  
 71.7 Day, instructing the students about Veteran's Day and the significance to our nation of the  
 71.8 service provided by veterans. The instruction must be given in each school for at least 30  
 71.9 minutes or one school period, whichever is longer.

71.10 Subd. 2. Private employers. Private employers in Minnesota are encouraged to  
 71.11 honor the federal Veteran's Day holiday by granting to each employee who is a veteran a  
 71.12 day off with pay on that holiday.

71.13 Sec. 40. Laws 2005, First Special Session chapter 5, article 2, section 81, as amended  
 71.14 by Laws 2006, chapter 263, article 2, section 20, is amended to read:

71.15 Sec. 81. **BOARD OF SCHOOL ADMINISTRATORS; RULEMAKING**  
 71.16 **AUTHORITY.**

71.17  
 71.18 On or before June 30, ~~2007~~ 2008, the Board of School Administrators may adopt  
 71.19 rules to reflect the changes in duties, responsibilities, and roles of school administrators  
 71.20 under sections 121A.035, 121A.037 and 299F.30, and to make technical revisions and  
 71.21 clarifications to Minnesota Rules, chapter 3512.

71.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

71.23 Sec. 41. **GRANT PROGRAM TO PROMOTE PROFESSIONAL TEACHING**  
 71.24 **STANDARDS.**

71.25 Subdivision 1. Establishment. A grant program to promote professional teaching  
 71.26 standards through the National Board for Professional Teaching Standards is established to  
 71.27 provide teachers with the opportunity to receive National Board for Professional Teaching  
 71.28 Standards certification and to reward teachers who have already received this certification.

71.29 Subd. 2. Eligibility. An applicant for a grant must:

71.30 (1) be a licensed teacher employed in a Minnesota public school;

71.31 (2) have a minimum of five school years' classroom teaching experience; and

71.32 (3) demonstrate acceptance by the National Board for Professional Teaching

71.33 Standards as a candidate for board certification or as a recipient of board certification.

72.1 Subd. 3. **Application process.** To obtain a grant to participate in the National Board  
72.2 for Professional Teaching Standards certification process or to receive a reward for already  
72.3 completing the board certification process, a teacher must submit an application to the  
72.4 commissioner of education in the form and manner established by the commissioner. The  
72.5 commissioner shall consult with the Board of Teaching when reviewing the applications.  
72.6 The commissioner shall also provide program support to assist applicants during the  
72.7 national board certification process.

72.8 Subd. 4. **Grant awards; proceeds.** (a) The commissioner may award grants of  
72.9 \$1,000 to eligible teachers accepted as candidates for the National Board for Professional  
72.10 Teaching Standards certification or for national board certification renewal for partial  
72.11 payment of the teacher's candidate application fee.

72.12 (b) The commissioner shall award grants of \$3,000 to all eligible teacher applicants  
72.13 who hold certification from the National Board for Professional Teaching Standards and  
72.14 \$2,000 for renewal of their national board certification.

72.15 (c) The commissioner shall also award grants to eligible teachers who have received  
72.16 National Board for Professional Teaching Standards certification within one year prior to  
72.17 the date of the teacher's application for a grant to use for educational purposes, including  
72.18 purchasing instructional materials, equipment, or supplies, and pursuing professional  
72.19 development opportunities. The commissioner, under this paragraph, may award grants not  
72.20 to exceed \$1,000 after consulting with interested stakeholders regarding the grant amount.

72.21 **Sec. 42. EXPERIENCE REQUIREMENTS.**

72.22 Any rules adopted by the Board of School Administrators governing principal  
72.23 licensure must require that a person applying for a principal license have at least three  
72.24 years of successful teaching experience gained while holding a classroom teaching license  
72.25 valid for the positions in which the applicant taught.

72.26 **Sec. 43. RULEMAKING AUTHORITY.**

72.27 The commissioner of education shall adopt rules for implementing and administering  
72.28 the graduation-required assessment for diploma (GRAD) in reading and mathematics  
72.29 and in writing, consistent with Minnesota Statutes, section 120B.30, subdivision 1, and  
72.30 for public review of the GRAD test. The rules must specify the GRAD requirements  
72.31 that apply to students in unique circumstances including dual enrolled students, English  
72.32 language learners, foreign exchange students, home school students, open enrollment  
72.33 students, Minnesota postsecondary enrollment options students, shared-time students,  
72.34 transfer students from other states, and district-placed students and students attending

73.1 school under a tuition agreement. The rules must establish the criteria for determining  
73.2 individualized GRAD passing scores for students with an individual education plan or  
73.3 a Section 504 plan and for using an alternative assessment when a student's individual  
73.4 education plan team decides to replace the GRAD test.

73.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

73.6 Sec. 44. **RULEMAKING REQUIRED.**

73.7 (a) Notwithstanding the time limit in Minnesota Statutes, section 14.125, the Board  
73.8 of Teaching must adopt the rules it was mandated to adopt under Laws 2003, chapter 129,  
73.9 article 1, section 10. The board must publish a notice of intent to adopt rules or a notice of  
73.10 hearing for rules subject to this section before January 1, 2008.

73.11 (b) The failure of a board member to comply with paragraph (a) is a willful failure to  
73.12 perform a specific act that is a required part of the duties of a public official and is cause  
73.13 for removal under Minnesota Statutes, section 15.0575, subdivision 4.

73.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

73.15 Sec. 45. **RULEMAKING AUTHORIZED; SUPPLEMENTAL EDUCATION**  
73.16 **SERVICE PROVIDERS.**

73.17 The commissioner of education must amend Minnesota Rules, part 3512.5400,  
73.18 consistent with the requirements under Minnesota Statutes, chapter 14, to include  
73.19 specifications that provide the basis for withdrawing Department of Education approval  
73.20 from supplemental education service providers that fail to increase students' academic  
73.21 proficiency for two consecutive school years. The amended rule also must clearly indicate:

73.22 (1) how the Department of Education will disentangle the impact of supplemental  
73.23 education from the impact of regular school instruction on students' academic  
73.24 performance; and

73.25 (2) whether the Department of Education will assess effectiveness of the  
73.26 supplemental education service providers using an absolute measure, such as percent of  
73.27 "proficient" students or measure individual students' growth toward proficiency over time.

73.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

73.29 Sec. 46. **RULEMAKING AUTHORITY.**

73.30 The commissioner of education shall adopt rules under Minnesota Statutes, chapter  
73.31 14, for physical education standards required for high school graduation, consistent  
73.32 with Minnesota Statutes, section 120B.024, after reviewing the six physical education

74.1 standards developed by the Department of Education's health and physical education  
74.2 quality teaching network and consulting with interested and qualified stakeholders and  
74.3 members of the public about the proposed substance of the physical education standards.

74.4 **EFFECTIVE DATE.** This section is effective the day following final enactment.

74.5 **Sec. 47. WORLD LANGUAGES RESOURCES.**

74.6 (a) The commissioner of education shall employ a full-time state coordinator for  
74.7 world languages education within the department by July 1, 2007. The commissioner shall  
74.8 seek advice from the quality teaching network before assigning or hiring the coordinator.

74.9 The coordinator, at a minimum, shall:

74.10 (1) assist charter schools and school districts in planning to develop or enhance their  
74.11 capacity to offer world languages courses and programs;

74.12 (2) collaborate with Minnesota world languages professionals and charter schools  
74.13 and school districts and continuously seek their advice in developing all aspects of world  
74.14 languages programs;

74.15 (3) survey Minnesota charter schools and school districts to (i) determine the types  
74.16 of existing world languages programs including, among others, those that use information  
74.17 technology to provide high-quality world languages instruction, (ii) identify exemplary  
74.18 model world languages programs, and (iii) identify and address staff development needs of  
74.19 current world languages teachers, preservice teachers, and teacher preparation programs;

74.20 (4) identify successful world languages programs in other states;

74.21 (5) consult with interested stakeholders to prepare a report for the commissioner of  
74.22 education to submit by February 15, 2008, to the education policy and finance committees  
74.23 of the legislature assessing the feasibility and structure of a statewide world languages  
74.24 graduation requirement under Minnesota Statutes, section 120B.021, subdivision 1; and

74.25 (6) beginning February 1, 2008, and until February 1, 2012, report annually to the  
74.26 education policy and finance committees of the legislature on the status of world languages  
74.27 in Minnesota and the programmatic needs identified by charter school and school district  
74.28 surveys, and make recommendations on how to address the identified needs.

74.29 (b) After carefully examining existing world languages assessments, including  
74.30 among other considerations the ease or difficulty with which the assessments may be  
74.31 adapted to world languages not currently assessed, the commissioner, by July 1, 2009,  
74.32 shall recommend an assessment tool for charter schools and school districts to use in  
74.33 measuring student progress in acquiring proficiency in world languages.

74.34 (c) Beginning July 1, 2008, the department shall assist world languages teachers  
74.35 and other school staff in developing and implementing world languages programs

75.1 that acknowledge and reinforce the language proficiency and cultural awareness that  
75.2 non-English language speakers already possess, and encourage students' proficiency in  
75.3 multiple world languages. Programs under this paragraph must encompass indigenous  
75.4 American Indian languages and cultures, among other world languages and cultures. The  
75.5 department shall consult with postsecondary institutions in developing related professional  
75.6 development opportunities

75.7 (d) The commissioner, upon request, must evaluate the plans of charter schools and  
75.8 school districts to develop or enhance their capacity to offer world languages courses  
75.9 and programs and continue to offer technical assistance to districts in developing or  
75.10 enhancing world languages programs. The department shall assist districts in monitoring  
75.11 local assessment results.

75.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

75.13 **Sec. 48. WORLD LANGUAGES PILOT PROGRAM GRANTS.**

75.14 (a) A pilot program awarding five world languages grants of \$50,000 per grant to  
75.15 interested and qualified school sites and school districts is established for fiscal year 2009  
75.16 to develop and implement sustainable, high-quality model world languages programs  
75.17 and to enhance existing world languages programs at various grade levels for students  
75.18 in kindergarten through grade 12. Program participants must simultaneously support  
75.19 both non-English language learners in maintaining their native language while mastering  
75.20 English and native English speakers in learning other languages.

75.21 (b) Interested school sites and school districts must apply to the commissioner of  
75.22 education in the form and manner the commissioner determines. The application must  
75.23 indicate whether the applicant intends to develop a new world languages program or  
75.24 expand an existing world languages program and whether the applicant intends to offer  
75.25 more intensive programs or programs that are readily accessible to larger numbers of  
75.26 students. Applicants must agree to disseminate information about their programs to  
75.27 interested school sites and school districts.

75.28 (c) The commissioner must award grants to qualified applicants that satisfy the  
75.29 requirements in paragraphs (a) and (b). To the extent there are qualified applicants, the  
75.30 commissioner must award grants to qualified applicants on an equitable geographic  
75.31 basis to the extent feasible. The commissioner must award three grants to kindergarten  
75.32 through grade 8 sites, one grant to a qualified site interested in developing or enhancing a  
75.33 sustainable Mandarin Chinese program, and one grant to an indigenous American Indian  
75.34 world languages program. Grantees must expend the grant consistent with the content of  
75.35 their application and this section.

76.1 (d) The commissioner shall provide for an evaluation of the grantees to identify  
76.2 exemplary model world languages programs and the staff development needs of world  
76.3 languages teachers and report the findings of the evaluation to the education policy and  
76.4 finance committees of the legislature by February 15, 2010.

76.5 **EFFECTIVE DATE.** This section is effective for the 2007-2008 school year.

76.6 Sec. 49. **BILINGUAL AND MULTILINGUAL CERTIFICATES; DEPARTMENT**  
76.7 **OF EDUCATION.**

76.8 The Department of Education, in consultation with interested stakeholders, must  
76.9 develop and recommend to the legislature by February 15, 2008, the standards and process  
76.10 for awarding bilingual and multilingual certificates to those kindergarten through grade  
76.11 12 students who demonstrate and maintain a requisite level of proficiency in multiple  
76.12 languages.

76.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.14 Sec. 50. **MASTER TEACHER TRAINING IN ECONOMICS AND PERSONAL**  
76.15 **FINANCE.**

76.16 The commissioner of education must contract with the Minnesota Council on  
76.17 Economic Education to allow 20 highly qualified economics and personal finance teachers  
76.18 throughout the state to participate in a week-long summer training program that offers  
76.19 content, skills for teaching adults, mentoring, and workshop planning and delivery. The  
76.20 program must enable participants, as master teachers, to provide professional development  
76.21 to other teachers interested in improving their teaching of economics and personal  
76.22 finance. Successful master teachers may co-teach teacher workshops with members  
76.23 of the statewide network of centers for economic education and provide professional  
76.24 development workshops as part of school districts' professional development programs.

76.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

76.26 Sec. 51. **SCHOOL PERFORMANCE REPORT CARDS; ADVISORY GROUP**  
76.27 **RECOMMENDATIONS.**

76.28 (a) To sustain equity and excellence in education, the Independent Office of  
76.29 Educational Accountability under Minnesota Statutes, section 120B.31, subdivision 3,  
76.30 must convene and facilitate an advisory group of measurement experts to consider and  
76.31 recommend how to structure school performance data and school performance report  
76.32 cards under Minnesota Statutes, section 120B.36, subdivision 1, to fully, fairly, and

77.1 accurately report student achievement and emphasize school excellence under Minnesota's  
77.2 system of educational accountability and public reporting. The advisory group at least  
77.3 must consider and recommend how to: evaluate student achievement using multiple  
77.4 measures of growth that take into account student demographic characteristics, consistent  
77.5 with Minnesota Statutes, section 120B.31, subdivision 4; and identify outstanding schools  
77.6 based on student achievement and achievement growth and using multiple performance  
77.7 measures that are objective and consistent with the highest standards in the field of  
77.8 educational measurements and accountability. The advisory group, at its discretion, may  
77.9 also consider and make recommendations on other related statewide accountability and  
77.10 reporting matters.

77.11 (b) Advisory group members under paragraph (a) include: two qualified experts in  
77.12 measurement in education selected by the State Council on Measurement in Education;  
77.13 three regionally diverse school district research and evaluation directors selected by the  
77.14 Minnesota Assessment Group; one school superintendent selected by the Minnesota  
77.15 Association of School Administrators; one University of Minnesota faculty selected by  
77.16 the dean of the College of Education and Human Development; one licensed teacher  
77.17 selected by Education Minnesota; two parents selected by the Minnesota Parent Teachers  
77.18 Association with expertise in measurement in education; and the director of evaluation and  
77.19 testing at the Minnesota Department of Education. Advisory group members' terms and  
77.20 other advisory group matters are subject to Minnesota Statutes, section 15.059, subdivision  
77.21 6. The Independent Office of Educational Accountability must present the advisory group's  
77.22 recommendations under paragraph (a) to the education policy and finance committees of  
77.23 the legislature by February 15, 2008. The advisory group expires February 16, 2008.

77.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

77.25 **Sec. 52. ALTERNATIVE SCHOOL CALENDAR PILOT PROGRAM.**

77.26 **Subdivision 1. Establishment.** Notwithstanding Minnesota Statutes, section  
77.27 120A.41 or 120A.415, or other law to the contrary, but consistent with Minnesota  
77.28 Statutes, section 124D.128, an alternative school calendar pilot program is established to  
77.29 examine the impact of school calendar arrangements on student learning by comparing  
77.30 students' academic gains in school districts and charter schools that use traditional and  
77.31 nontraditional school calendars. The commissioner of education must structure the  
77.32 program and select elementary and secondary program participants with the purpose of  
77.33 comparing the impact of traditional and nontraditional school calendars on:

77.34 (1) the amount of educational material students retain after school vacations;

78.1 (2) the educational enrichment opportunities and remedial help available to students  
78.2 throughout the school year;

78.3 (3) the impact of the calendar on student attendance, student disciplinary actions,  
78.4 and student achievement test scores; and

78.5 (4) the amount of time available to students and school staff for out-of-school  
78.6 learning, vacations, and recreation.

78.7 Subd. 2. **Eligibility; application.** An interested school district, charter school, or  
78.8 groups of school districts or charter schools that participate for a particular purpose may  
78.9 apply to the commissioner of education to participate in the pilot program in the form  
78.10 and manner the commissioner determines. An applicant must identify in its application  
78.11 the internal and external factors that it anticipates may determine its preference for a  
78.12 traditional or nontraditional school calendar, including the impact of the school calendar  
78.13 on: costs related to employee compensation, transportation, food, facility use throughout  
78.14 the calendar year, and facility maintenance; needs of at-risk students; number of  
78.15 instructional and staff development days; and the availability of extracurricular activities,  
78.16 community resources, and before- and after-school care and child care. The commissioner  
78.17 may require an applicant to provide additional information.

78.18 Subd. 3. **Application review; grant awards.** When reviewing an application, the  
78.19 commissioner must determine whether the applicant met the requirements in subdivisions  
78.20 1 and 2, and only an applicant that satisfies all the requirements is eligible to receive a  
78.21 grant under this section. The commissioner must equitably distribute grant awards, to the  
78.22 extent feasible, on the basis of geography and must consider grant applications from  
78.23 existing and proposed flexible learning year programs under Minnesota Statutes, section  
78.24 124D.12. The commissioner must base the amount of the grant award on the number of  
78.25 students the grantee has enrolled in school and the length and structure of the grantee's  
78.26 school calendar. Grant expenditures must be consistent with budget information the  
78.27 grantee periodically submits to the commissioner.

78.28 Subd. 4. **Evaluation.** The commissioner must provide for an ongoing annual  
78.29 evaluation of the impact of school calendar arrangements on student learning under  
78.30 subdivision 1, clauses (1) to (4). Within 180 days of when the pilot program terminates,  
78.31 the commissioner must recommend to the education policy and finance committees of the  
78.32 legislature preferred school calendars based upon demonstrated student achievement and  
78.33 the criteria listed in subdivision 1.

78.34 **EFFECTIVE DATE.** This section is effective the day following final enactment.

78.35 Sec. 53. **AMERICAN INDIAN SCHOLARSHIP.**

79.1 Administration of the American Indian scholarship program under Minnesota  
79.2 Statutes, section 124D.84, is transferred from the Department of Education to the  
79.3 Minnesota Office of Higher Education. The Minnesota Office of Higher Education must  
79.4 maintain an office at no cost to the scholarship program that employs at least one person in  
79.5 the Bemidji area for distributing scholarships under this section. Office space and support  
79.6 may be provided by Bemidji State University at no cost to the scholarship program.

79.7 Sec. 54. **TEACHER TRAINING TO INTEGRATE LEARNING**  
79.8 **TECHNOLOGIES INTO K-12 CLASSROOMS.**

79.9 (a) The commissioner of education must contract with the University of Minnesota  
79.10 for qualified experts to provide teacher training in effectively using computers and  
79.11 related technologies in kindergarten through grade 12 classrooms. The experts must  
79.12 provide professional development opportunities to teachers throughout the state and  
79.13 enable participants to successfully use technology-related instructional resources to help  
79.14 diverse students meet state and local academic standards and graduation requirements and  
79.15 achieve educational excellence, and enhance teachers' learning and curriculum content  
79.16 and instruction. The experts also must enable participants to serve as master teachers to  
79.17 provide professional development to other teachers interested in better integrating the use  
79.18 of learning technologies into kindergarten through grade 12 classrooms. Participants who  
79.19 serve as master teachers may co-teach teacher workshops with other qualified professional  
79.20 development providers and participate in professional development workshops as part  
79.21 of school districts' professional development programs.

79.22 (b) The commissioner of education must provide for an evaluation of the  
79.23 effectiveness of the teacher training program under paragraph (a) and recommend to the  
79.24 education policy and finance committees of the legislature by February 15, 2010, whether  
79.25 or not to make the program available statewide.

79.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

79.27 Sec. 55. **REVISOR'S INSTRUCTION.**

79.28 The revisor of statutes shall renumber Minnesota Statutes, section 124D.84 to  
79.29 section 136A.126, correct cross-references, and make other necessary corrections to  
79.30 implement section 53.

79.31 Sec. 56. **APPROPRIATIONS.**

80.1 Subdivision 1. **Minnesota Office of Higher Education.** The sums indicated in  
 80.2 this section are appropriated from the general fund to the Minnesota Office of Higher  
 80.3 Education for the fiscal years designated.

80.4 Subd. 2. **American Indian scholarships.** For American Indian scholarships under  
 80.5 Minnesota Statutes, section 124D.84:

80.6 \$ 1,950,000 ..... 2008

80.7 \$ 1,950,000 ..... 2009

80.8 Of this appropriation, \$75,000 per year is for administration under section 53.

80.9 **Sec. 57. APPROPRIATIONS**

80.10 Subdivision 1. **Board of Regents of the University of Minnesota.** The sums  
 80.11 indicated in this section are appropriated from the general fund to the Board of Regents of  
 80.12 the University of Minnesota for the fiscal years designated.

80.13 Subd. 2. **Independent Office of Educational Accountability.** For the Independent  
 80.14 Office of Educational Accountability under Minnesota Statutes, section 120B.31,  
 80.15 subdivision 3:

80.16 \$ 200,000 ..... 2008

80.17 \$ 200,000 ..... 2009

80.18 This is a onetime appropriation.

80.19 **Sec. 58. APPROPRIATIONS.**

80.20 Subdivision 1. **Department.** The sums indicated in this section are appropriated  
 80.21 from the general fund to the Department of Education for the fiscal years designated.

80.22 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
 80.23 Statutes, section 124D.11, subdivision 4:

80.24 \$ 31,875,000 ..... 2008

80.25 \$ 36,193,000 ..... 2009

80.26 The 2008 appropriation includes \$2,814,000 for 2007 and \$29,061,000 for 2008.

80.27 The 2009 appropriation includes \$3,229,000 for 2008 and \$32,964,000 for 2009.

80.28 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid  
 80.29 under Minnesota Statutes, section 124D.11:

80.30 \$ 1,896,000 ..... 2008

80.31 \$ 2,161,000 ..... 2009

81.1 The 2008 appropriation includes \$241,000 for 2007 and \$1,655,000 for 2008.

81.2 The 2009 appropriation includes \$183,000 for 2008 and \$1,978,000 for 2009.

81.3 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section  
 81.4 124D.86, subdivision 5:

81.5 \$ 61,769,000 ..... 2008

81.6 \$ 61,000,000 ..... 2009

81.7 The 2008 appropriation includes \$5,824,000 for 2007 and \$55,945,000 for 2008.

81.8 The 2009 appropriation includes \$6,216,000 for 2008 and \$54,784,000 for 2009.

81.9 Subd. 5. **Magnet school program grants.** For magnet school program grants:

81.10 \$ 750,000 ..... 2008

81.11 \$ 750,000 ..... 2009

81.12 These amounts may be used for magnet school programs under Minnesota Statutes,  
 81.13 section 124D.88.

81.14 Up to \$100,000 each year is available for site-based decision-making grants under  
 81.15 Minnesota Statutes, section 123B.04, subdivision 2, clause (g).

81.16 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
 81.17 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 81.18 section 124D.87:

81.19 \$ 9,639,000 ..... 2008

81.20 \$ 11,567,000 ..... 2009

81.21 Subd. 7. **Success for the future.** For American Indian success for the future grants  
 81.22 under Minnesota Statutes, section 124D.81:

81.23 \$ 2,137,000 ..... 2008

81.24 \$ 2,137,000 ..... 2009

81.25 The 2008 appropriation includes \$213,000 for 2007 and \$1,924,000 for 2008.

81.26 The 2009 appropriation includes \$213,000 for 2008 and \$1,924,000 for 2009.

81.27 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist  
 81.28 American Indians to become teachers under Minnesota Statutes, section 122A.63:

81.29 \$ 190,000 ..... 2008

81.30 \$ 190,000 ..... 2009

81.31 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota  
 81.32 Statutes, section 124D.83:

82.1           \$       2,251,000   ..... 2008  
 82.2           \$       2,463,000   ..... 2009

82.3           The 2008 appropriation includes \$204,000 for 2007 and \$2,047,000 for 2008.

82.4           The 2009 appropriation includes \$227,000 for 2008 and \$2,236,000 for 2009.

82.5           Subd. 10. **Early childhood family education programs at tribal contract schools.**

82.6           For early childhood family education programs at tribal contract schools under Minnesota  
 82.7           Statutes, section 124D.83, subdivision 4:

82.8           \$       68,000   ..... 2008  
 82.9           \$       68,000   ..... 2009

82.10          Subd. 11. **Statewide testing and reporting system.** For the statewide testing and  
 82.11          reporting system under Minnesota Statutes, section 120B.30:

82.12          \$       12,650,000   ..... 2008  
 82.13          \$       12,650,000   ..... 2009

82.14          \$11,500,000 each year is to continue the general administration and reporting of the  
 82.15          statewide testing program.

82.16          \$1,150,000 each year is for the value-added index assessment model.

82.17          Any balance in the first year does not cancel but is available in the second year.

82.18          The base for this program in fiscal year 2010 and later is \$12,650,000.

82.19          Subd. 12. **First grade preparedness.** For first grade preparedness grants under  
 82.20          Minnesota Statutes, section 124D.081:

82.21          \$       7,250,000   ..... 2008

82.22          Subd. 13. **Examination fees; teacher training and support programs.** (a) For  
 82.23          students' advanced placement and international baccalaureate examination fees under  
 82.24          Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs  
 82.25          for teachers and other interested educators under Minnesota Statutes, section 120B.13,  
 82.26          subdivision 1:

82.27          \$       4,500,000   ..... 2008  
 82.28          \$       4,500,000   ..... 2009

82.29          (b) The advanced placement program shall receive 75 percent of the appropriation  
 82.30          each year and the international baccalaureate program shall receive 25 percent of the  
 82.31          appropriation each year. The department, in consultation with representatives of the  
 82.32          advanced placement and international baccalaureate programs selected by the Advanced  
 82.33          Placement Advisory Council and IBMN, respectively, shall determine the amounts of

83.1 the expenditures each year for examination fees and training and support programs for  
 83.2 each program.

83.3 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least  
 83.4 \$500,000 each year is for teachers to attend subject matter summer training programs  
 83.5 and follow-up support workshops approved by the advanced placement or international  
 83.6 baccalaureate programs. The amount of the subsidy for each teacher attending an  
 83.7 advanced placement or international baccalaureate summer training program or workshop  
 83.8 shall be the same. The commissioner shall determine the payment process and the amount  
 83.9 of the subsidy.

83.10 (d) The commissioner shall pay all examination fees for all students of low-income  
 83.11 families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent  
 83.12 of available appropriations shall also pay examination fees for students sitting for an  
 83.13 advanced placement examination, international baccalaureate examination, or both.

83.14 Any balance in the first year does not cancel but is available in the second year.

83.15 **Subd. 14. Preadvanced placement, advanced placement, international**  
 83.16 **baccalaureate, and concurrent enrollment programs.** For preadvanced placement,  
 83.17 advanced placement, international baccalaureate, and concurrent enrollment programs  
 83.18 under Minnesota Statutes, sections 120B.132 and 124D.091:

83.19 \$ 7,740,000 .... 2008

83.20 \$ 8,600,000 .... 2009

83.21 The 2008 appropriation includes \$0 for fiscal year 2007 and \$7,740,000 for fiscal  
 83.22 year 2008. The 2009 appropriation includes \$860,000 for fiscal year 2008 and \$7,740,000  
 83.23 for fiscal year 2009.

83.24 Of this amount, \$2,500,000 each year is for concurrent enrollment program aid  
 83.25 under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the  
 83.26 commissioner must proportionately reduce the aid payment to each district.

83.27 **Subd. 15. Collaborative urban educator.** For collaborative urban educator grants  
 83.28 under Minnesota Statutes, section 122A.641:

83.29 \$ 1,301,000 .... 2008

83.30 \$ 1,301,000 .... 2009

83.31 \$500,000 each year is for the Southeast Asian teacher program at Concordia  
 83.32 University, St. Paul; \$400,000 each year is for the collaborative urban educator program at  
 83.33 the University of St. Thomas; and \$400,000 each year is for the Center for Excellence in  
 83.34 Urban Teaching at Hamline University. Grant recipients must collaborate with urban and  
 83.35 nonurban school districts.

84.1 Any balance in the first year does not cancel but is available in the second year.

84.2 Subd. 16. **Youth works program.** For funding youth works programs under  
 84.3 Minnesota Statutes, sections 124D.37 to 124D.45:

84.4 \$ 900,000 ..... 2008

84.5 \$ 900,000 ..... 2009

84.6 A grantee organization may provide health and child care coverage to the dependents  
 84.7 of each participant enrolled in a full-time youth works program to the extent the coverage  
 84.8 is not otherwise available.

84.9 Subd. 17. **Early childhood literacy programs.** For early childhood literacy  
 84.10 programs under Minnesota Statutes, section 119A.50, subdivision 3:

84.11 \$ 1,500,000 ..... 2008

84.12 \$ 1,500,000 ..... 2009

84.13 \$1,000,000 each year is for leveraging federal and private funding to support  
 84.14 AmeriCorps members serving in the Minnesota Reading Corps program established by  
 84.15 Serve Minnesota, including costs associated with the training and teaching of early literacy  
 84.16 skills to children age three to grade 3 and the evaluation of the impact of the program  
 84.17 under Minnesota Statutes, section 124D.42, subdivision 8.

84.18 \$500,000 each year is for grants for early childhood literacy programs under  
 84.19 Minnesota Statutes, section 119A.50, subdivision 3, paragraph (a).

84.20 Any balance in the first year does not cancel but is available in the second year.

84.21 Subd. 18. **St. Croix River Education District.** For a grant to the St. Croix River  
 84.22 Education District:

84.23 \$ 500,000 ..... 2008

84.24 \$ 500,000 ..... 2009

84.25 These funds must be used to:

84.26 (1) deliver standardized research-based professional development in  
 84.27 problem-solving, including response to intervention, scientifically based reading  
 84.28 instruction, and standards-aligned instruction and assessment;

84.29 (2) provide coaching to targeted districts throughout the state;

84.30 (3) deliver large scale training throughout the state;

84.31 (4) provide ongoing technical assistance to schools;

84.32 (5) assist with implementing professional development content into higher education  
 84.33 instructional curricula; and

84.34 (6) evaluate the effectiveness of project activities.

85.1 This is a one time appropriation.

85.2 Subd. 19. **Student organizations.** For student organizations:

85.3 \$ 725,000 ..... 2008

85.4 \$ 725,000 ..... 2009

85.5 \$40,000 each year is for student organizations serving health occupations.

85.6 \$38,000 each year is for student organizations serving service occupations.

85.7 \$88,000 each year is for student organizations serving trade and industry occupations.

85.8 \$84,000 each year is for student organizations serving business occupations.

85.9 \$131,000 each year is for student organizations serving agriculture occupations.

85.10 \$125,000 each year is for student organizations serving family and consumer science

85.11 occupations.

85.12 \$95,000 each year is for student organizations serving marketing occupations.

85.13 Any balance in the first year does not cancel but is available in the second year.

85.14 Subd. 20. **College level examination program (CLEP).** For the college level

85.15 examination program (CLEP) under Minnesota Statutes, section 120B.131:

85.16 \$ 1,650,000 ..... 2008

85.17 \$ 1,650,000 ..... 2009

85.18 Any balance in the first year does not cancel but is available in the second year.

85.19 Subd. 21. **Education planning and assessment (EPAS) program.** For the

85.20 educational planning and assessment (EPAS) program under Minnesota Statutes, section

85.21 120B.128:

85.22 \$ 829,000 ..... 2008

85.23 \$ 829,000 ..... 2009

85.24 Any balance in the first year does not cancel but is available in the second year.

85.25 The base for this program in fiscal year 2010 and later is \$829,000.

85.26 Subd. 22. **21st century high schools.** (a) For 21st century high schools:

85.27 \$ 1,920,000 ..... 2008

85.28 \$ 6,843,000 ..... 2009

85.29 (b) \$1,000,000 in fiscal year 2008 is for grants for alternative school calendar pilot

85.30 programs under section 52. Grant funds may be used for pupil transportation costs.

85.31 (c) \$6,443,000 in fiscal year 2009 is for Career and Technical Aid under Minnesota

85.32 Statutes, section 124D.4531. The 2009 appropriation includes \$0 for fiscal year 2008 and

85.33 \$6,443,000 for fiscal year 2009.

85.34 (d) \$500,000 in fiscal year 2008 is for professional teacher licensure.

86.1 (e) \$150,000 each year is for the quantum opportunities program.

86.2 (f) \$250,000 each year is for world languages resources for developing and  
 86.3 implementing world languages programs.

86.4 (g) \$20,000 in fiscal year 2008 is for the committee on American Indian education  
 86.5 under Minnesota Statutes, section 124D.805.

86.6 The base for this appropriation for fiscal year 2010 is \$7,352,000 and \$7,572,000  
 86.7 for fiscal year 2011.

86.8 **Subd. 23. Minnesota teacher development.** (a) Effective, well prepared, fully  
 86.9 engaged, and adequately supported kindergarten through grade 12 classroom teachers,  
 86.10 along with parents, are critical partners in helping the many diverse student populations  
 86.11 realize meaningful academic achievement. To afford students needed opportunities  
 86.12 to learn effectively without remediation; to acknowledge and reinforce the language  
 86.13 proficiency and cultural awareness that diverse language speakers possess; to encourage  
 86.14 students' proficiency in science, technology, math, engineering, economics, civics, and  
 86.15 foreign languages; and to provide new and experienced teachers with sufficient staff  
 86.16 development resources and support to effectively work to close the student achievement  
 86.17 gap, the following resources are provided:

86.18 \$ 4,950,000 ..... 2008

86.19 \$ 4,200,000 ..... 2009

86.20 (b) \$400,000 each year is for a grant to the Minnesota Humanities Commission  
 86.21 under Minnesota Statutes, section 138.911.

86.22 (c) \$150,000 each year is for a grant to the Minnesota Historical Society.

86.23 (d) \$400,000 each year is for the Principals' Leadership Institute under Minnesota  
 86.24 Statutes, section 122A.74. Any balance in the first year does not cancel but is available  
 86.25 in the second year.

86.26 (e) \$1,300,000 each year is for teachers of color scholarships under Minnesota  
 86.27 Statutes, section 122A.633.

86.28 (f) \$2,200,000 in fiscal year 2008 and \$1,550,000 in fiscal year 2009 are for  
 86.29 professional development programs. Of this amount: \$1,667,000 in fiscal year 2008 and  
 86.30 \$1,125,000 in fiscal year 2009 are for grants for up to 5 teacher centers under Minnesota  
 86.31 Statutes, section 122A.72, subdivision 5, for the science, technology, engineering and  
 86.32 mathematics initiative including teacher workshops and expanded outreach programs  
 86.33 in classrooms; \$333,000 in fiscal year 2008 and \$225,000 in fiscal year 2009 are for  
 86.34 a grant to the Science Museum of Minnesota for the science, technology, engineering,  
 86.35 and mathematics initiative; \$200,000 in fiscal year 2008 is for a grant to the Minnesota

87.1 Council on Economic Education for master teacher training in economics and personal  
87.2 finance; and \$400,000 each year is for teacher technology training grants under section 51.

87.3 (g) \$100,000 in fiscal year 2008 is for a grant to the commissioner of education for a  
87.4 grant to the Learning Law and Democracy Foundation for the development and electronic  
87.5 collection, review, and distribution of educational materials supporting Minnesota's  
87.6 kindergarten through grade 12 education standards for civics and government.

87.7 The base for the appropriations contained in this subdivision for fiscal year 2010 and  
87.8 later is \$800,000 per year. Any balance in the first year does not cancel but is available  
87.9 in the second year.

87.10 Sec. 59. **REPEALER.**

87.11 Minnesota Statutes 2006, sections 121A.23; and 124D.62, are repealed.

### 87.12 **ARTICLE 3**

### 87.13 **SPECIAL PROGRAMS**

87.14 Section 1. Minnesota Statutes 2006, section 123B.92, subdivision 1, is amended to read:

87.15 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the  
87.16 terms defined in this subdivision have the meanings given to them.

87.17 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
87.18 categories" means the quotient obtained by dividing:

87.19 (1) the sum of:

87.20 (i) all expenditures for transportation in the regular category, as defined in paragraph  
87.21 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

87.22 (ii) an amount equal to one year's depreciation on the district's school bus fleet  
87.23 and mobile units computed on a straight line basis at the rate of 15 percent per year for  
87.24 districts operating a program under section 124D.128 for grades 1 to 12 for all students in  
87.25 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

87.26 (iii) an amount equal to one year's depreciation on the district's type three school  
87.27 buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a  
87.28 majority of the time for pupil transportation purposes, computed on a straight line basis at  
87.29 the rate of 20 percent per year of the cost of the type three school buses by:

87.30 (2) the number of pupils eligible for transportation in the regular category, as defined  
87.31 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

87.32 (b) "Transportation category" means a category of transportation service provided to  
87.33 pupils as follows:

87.34 (1) Regular transportation is:

88.1 (i) transportation to and from school during the regular school year for resident  
88.2 elementary pupils residing one mile or more from the public or nonpublic school they  
88.3 attend, and resident secondary pupils residing two miles or more from the public  
88.4 or nonpublic school they attend, excluding desegregation transportation and noon  
88.5 kindergarten transportation; but with respect to transportation of pupils to and from  
88.6 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

88.7 (ii) transportation of resident pupils to and from language immersion programs;

88.8 (iii) transportation of a pupil who is a custodial parent and that pupil's child between  
88.9 the pupil's home and the child care provider and between the provider and the school, if  
88.10 the home and provider are within the attendance area of the school;

88.11 (iv) transportation to and from or board and lodging in another district, of resident  
88.12 pupils of a district without a secondary school; and

88.13 (v) transportation to and from school during the regular school year required under  
88.14 subdivision 3 for nonresident elementary pupils when the distance from the attendance  
88.15 area border to the public school is one mile or more, and for nonresident secondary pupils  
88.16 when the distance from the attendance area border to the public school is two miles or  
88.17 more, excluding desegregation transportation and noon kindergarten transportation.

88.18 For the purposes of this paragraph, a district may designate a licensed day care  
88.19 facility, school day care facility, respite care facility, the residence of a relative, or the  
88.20 residence of a person chosen by the pupil's parent or guardian as the home of a pupil for  
88.21 part or all of the day, if requested by the pupil's parent or guardian, and if that facility or  
88.22 residence is within the attendance area of the school the pupil attends.

88.23 (2) Excess transportation is:

88.24 (i) transportation to and from school during the regular school year for resident  
88.25 secondary pupils residing at least one mile but less than two miles from the public or  
88.26 nonpublic school they attend, and transportation to and from school for resident pupils  
88.27 residing less than one mile from school who are transported because of extraordinary  
88.28 traffic, drug, or crime hazards; and

88.29 (ii) transportation to and from school during the regular school year required under  
88.30 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
88.31 border to the school is at least one mile but less than two miles from the public school  
88.32 they attend, and for nonresident pupils when the distance from the attendance area border  
88.33 to the school is less than one mile from the school and who are transported because of  
88.34 extraordinary traffic, drug, or crime hazards.

88.35 (3) Desegregation transportation is transportation within and outside of the district  
88.36 during the regular school year of pupils to and from schools located outside their normal

89.1 attendance areas under a plan for desegregation mandated by the commissioner or under  
89.2 court order.

89.3 (4) "Transportation services for pupils with disabilities" is:

89.4 (i) transportation of pupils with disabilities who cannot be transported on a regular  
89.5 school bus between home or a respite care facility and school;

89.6 (ii) necessary transportation of pupils with disabilities from home or from school to  
89.7 other buildings, including centers such as developmental achievement centers, hospitals,  
89.8 and treatment centers where special instruction or services required by sections 125A.03  
89.9 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
89.10 where services are provided;

89.11 (iii) necessary transportation for resident pupils with disabilities required by sections  
89.12 125A.12, and 125A.26 to 125A.48;

89.13 (iv) board and lodging for pupils with disabilities in a district maintaining special  
89.14 classes;

89.15 (v) transportation from one educational facility to another within the district for  
89.16 resident pupils enrolled on a shared-time basis in educational programs, and necessary  
89.17 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils  
89.18 with disabilities who are provided special instruction and services on a shared-time basis  
89.19 or if resident pupils are not transported, the costs of necessary travel between public  
89.20 and private schools or neutral instructional sites by essential personnel employed by the  
89.21 district's program for children with a disability;

89.22 (vi) transportation for resident pupils with disabilities to and from board and lodging  
89.23 facilities when the pupil is boarded and lodged for educational purposes; and

89.24 (vii) services described in clauses (i) to (vi), when provided for pupils with  
89.25 disabilities in conjunction with a summer instructional program that relates to the pupil's  
89.26 individual education plan or in conjunction with a learning year program established  
89.27 under section 124D.128.

89.28 For purposes of computing special education ~~base revenue~~ initial aid under section  
89.29 125A.76, subdivision 2, the cost of providing transportation for children with disabilities  
89.30 includes (A) the additional cost of transporting a homeless student from a temporary  
89.31 nonshelter home in another district to the school of origin, or a formerly homeless student  
89.32 from a permanent home in another district to the school of origin but only through the end  
89.33 of the academic year; and (B) depreciation on district-owned school buses purchased after  
89.34 July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated  
89.35 according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the  
89.36 disabled transportation category must be excluded in calculating the actual expenditure

90.1 per pupil transported in the regular and excess transportation categories according to  
90.2 paragraph (a).

90.3 (5) "Nonpublic nonregular transportation" is:

90.4 (i) transportation from one educational facility to another within the district for  
90.5 resident pupils enrolled on a shared-time basis in educational programs, excluding  
90.6 transportation for nonpublic pupils with disabilities under clause (4);

90.7 (ii) transportation within district boundaries between a nonpublic school and a  
90.8 public school or a neutral site for nonpublic school pupils who are provided pupil support  
90.9 services pursuant to section 123B.44; and

90.10 (iii) late transportation home from school or between schools within a district for  
90.11 nonpublic school pupils involved in after-school activities.

90.12 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for  
90.13 educational programs and services, including diagnostic testing, guidance and counseling  
90.14 services, and health services. A mobile unit located off nonpublic school premises is a  
90.15 neutral site as defined in section 123B.41, subdivision 13.

90.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

90.17 Sec. 2. Minnesota Statutes 2006, section 124D.454, subdivision 2, is amended to read:

90.18 Subd. 2. **Definitions.** For the purposes of this section, the definitions in this  
90.19 subdivision apply.

90.20 (a) ~~"Base year" means the second fiscal year preceding the fiscal year for which~~  
90.21 ~~aid will be paid.~~

90.22 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

90.23 For the purposes of computing basic revenue pursuant to this section, each child with a  
90.24 disability shall be counted as prescribed in section 126C.05, subdivision 1.

90.25 (c) ~~"Average daily membership" has the meaning given it in section 126C.05.~~

90.26 (d) ~~"Program growth factor" means 1.00 for fiscal year 1998 and later.~~

90.27 (e) ~~"Aid percentage factor" means 100 percent for fiscal year 2000 and later.~~

90.28 (f) (b) "Essential personnel" means a licensed teacher, licensed support services

90.29 staff person, paraprofessional providing direct services to students, or licensed personnel

90.30 under subdivision 12. This definition is not intended to change or modify the definition of

90.31 essential employee in chapter 179A.

90.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

90.33 Sec. 3. Minnesota Statutes 2006, section 124D.454, subdivision 3, is amended to read:

91.1 Subd. 3. ~~Base revenue~~ **Initial aid.** (a) The transition-disabled program ~~base revenue~~  
91.2 initial aid equals the sum of the following amounts computed using ~~base~~ current year data:

91.3 (1) 68 percent of the salary of each essential licensed person or approved  
91.4 paraprofessional who provides direct instructional services to students employed during  
91.5 that fiscal year for services rendered in that district's transition program for children with a  
91.6 disability;

91.7 (2) 47 percent of the costs of necessary equipment for transition programs for  
91.8 children with a disability;

91.9 (3) 47 percent of the costs of necessary travel between instructional sites by transition  
91.10 program teachers of children with a disability but not including travel to and from local,  
91.11 regional, district, state, or national career and technical student organization meetings;

91.12 (4) 47 percent of the costs of necessary supplies for transition programs for children  
91.13 with a disability but not to exceed an average of \$47 in any one school year for each child  
91.14 with a disability receiving these services;

91.15 (5) for transition programs for children with disabilities provided by a contract  
91.16 approved by the commissioner with public, private, or voluntary agencies other than a  
91.17 Minnesota school district or cooperative center, in place of programs provided by the  
91.18 district, 52 percent of the difference between the amount of the contract and the basic  
91.19 revenue of the district for that pupil for the fraction of the school day the pupil receives  
91.20 services under the contract;

91.21 (6) for transition programs for children with disabilities provided by a contract  
91.22 approved by the commissioner with public, private, or voluntary agencies other than a  
91.23 Minnesota school district or cooperative center, that are supplementary to a full educational  
91.24 program provided by the school district, 52 percent of the amount of the contract; and

91.25 (7) for a contract approved by the commissioner with another Minnesota school  
91.26 district or cooperative center for vocational evaluation services for children with a  
91.27 disability for children that are not yet enrolled in grade 12, 52 percent of the amount  
91.28 of the contract.

91.29 ~~(b) If requested by a school district for transition programs during the base year for~~  
91.30 ~~less than the full school year, the commissioner may adjust the base revenue to reflect~~  
91.31 ~~the expenditures that would have occurred during the base year had the program been~~  
91.32 ~~operated for the full year.~~

91.33 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

91.34 Sec. 4. Minnesota Statutes 2006, section 125A.11, subdivision 1, is amended to read:

92.1 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,  
92.2 when a school district provides instruction and services outside the district of residence,  
92.3 board and lodging, and any tuition to be paid, shall be paid by the district of residence.  
92.4 The tuition rate to be charged for any child with a disability, excluding a pupil for whom  
92.5 tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be  
92.6 the sum of (1) the actual cost of providing special instruction and services to the child  
92.7 including a proportionate amount for special transportation and unreimbursed building  
92.8 lease and debt service costs for facilities used primarily for special education, plus (2)  
92.9 the amount of general education revenue and referendum aid attributable to the pupil,  
92.10 minus (3) the amount of special education aid for children with a disability received  
92.11 on behalf of that child, minus (4) if the pupil receives special instruction and services  
92.12 outside the regular classroom for more than 60 percent of the school day, the amount of  
92.13 general education revenue and referendum aid, excluding portions attributable to district  
92.14 and school administration, district support services, operations and maintenance, capital  
92.15 expenditures, and pupil transportation, attributable to that pupil for the portion of time  
92.16 the pupil receives special instruction and services outside of the regular classroom. If  
92.17 the boards involved do not agree upon the tuition rate, either board may apply to the  
92.18 commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set  
92.19 a date for a hearing or request a written statement from each board, giving each board  
92.20 at least ten days' notice, and after the hearing or review of the written statements the  
92.21 commissioner must make an order fixing the tuition rate, which is binding on both school  
92.22 districts. General education revenue and referendum equalization aid attributable to a  
92.23 pupil must be calculated using the resident district's average general education revenue  
92.24 and referendum ~~revenue~~ equalization aid per adjusted pupil unit.

92.25 (b) For fiscal year 2007 and later, when a school district provides special instruction  
92.26 and services for a pupil with a disability as defined in section 125A.02 outside the district  
92.27 of residence, excluding a pupil for whom an adjustment to special education aid is  
92.28 calculated according to section 127A.47, subdivision 7, paragraph (e), special education  
92.29 aid paid to the resident district must be reduced by an amount equal to (1) the actual  
92.30 cost of providing special instruction and services to the pupil, including a proportionate  
92.31 amount for special transportation and unreimbursed building lease and debt service  
92.32 costs for facilities used primarily for special education, plus (2) the amount of general  
92.33 education revenue and referendum equalization aid attributable to that pupil, minus (3)  
92.34 the amount of special education aid for children with a disability received on behalf of  
92.35 that child, minus (4) if the pupil receives special instruction and services outside the  
92.36 regular classroom for more than 60 percent of the school day, the amount of general

93.1 education revenue and referendum equalization aid, excluding portions attributable to  
93.2 district and school administration, district support services, operations and maintenance,  
93.3 capital expenditures, and pupil transportation, attributable to that pupil for the portion of  
93.4 time the pupil receives special instruction and services outside of the regular classroom.  
93.5 General education revenue and referendum equalization aid attributable to a pupil must be  
93.6 calculated using the resident district's average general education revenue and referendum  
93.7 equalization aid per adjusted pupil unit. Special education aid paid to the district or  
93.8 cooperative providing special instruction and services for the pupil must be increased  
93.9 by the amount of the reduction in the aid paid to the resident district. Amounts paid  
93.10 to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be  
93.11 recognized and reported as revenues and expenditures on the resident school district's  
93.12 books of account under sections 123B.75 and 123B.76. If the resident district's special  
93.13 education aid is insufficient to make the full adjustment, the remaining adjustment shall be  
93.14 made to other state aid due to the district.

93.15 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,  
93.16 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students  
93.17 receive special education and related services, a site approved under section 125A.515,  
93.18 an intermediate district, a special education cooperative, or a school district that served  
93.19 as the applicant agency for a group of school districts for federal special education aids  
93.20 for fiscal year 2006 may apply to the commissioner for authority to charge the resident  
93.21 district an additional amount to recover any remaining unreimbursed costs of serving  
93.22 pupils with a disability. The application must include a description of the costs and the  
93.23 calculations used to determine the unreimbursed portion to be charged to the resident  
93.24 district. Amounts approved by the commissioner under this paragraph must be included  
93.25 in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47,  
93.26 subdivision 7, paragraph (d) or (e), as applicable.

93.27 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs  
93.28 (d) and (e), "general education revenue and referendum aid" means the sum of the general  
93.29 education revenue according to section 126C.10, subdivision 1, excluding alternative  
93.30 teacher compensation revenue, plus the referendum aid according to section 126C.17,  
93.31 subdivision 7, as adjusted according to section 127A.47, subdivision 7, paragraphs (a)  
93.32 to (c).

93.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

94.1 Sec. 5. Minnesota Statutes 2006, section 125A.13, is amended to read:

94.2 **125A.13 SCHOOL OF PARENTS' CHOICE.**

94.3 (a) Nothing in this chapter must be construed as preventing parents of a child with a  
94.4 disability from sending the child to a school of their choice, if they so elect, subject to  
94.5 admission standards and policies adopted according to sections 125A.62 to 125A.64 and  
94.6 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

94.7 (b) The parent of a student with a disability not yet enrolled in kindergarten and not  
94.8 open enrolled in a nonresident district may request that the resident district enter into a  
94.9 tuition agreement with the nonresident district if:

94.10 (1) the child is enrolled in a Head Start program or a licensed child care setting in  
94.11 the nonresident district; and

94.12 (2) the child can be served in the same setting as other children in the nonresident  
94.13 district with the same level of disability.

94.14 Sec. 6. Minnesota Statutes 2006, section 125A.14, is amended to read:

94.15 **125A.14 ~~SUMMER PROGRAMS~~ EXTENDED SCHOOL YEAR.**

94.16 A district may provide ~~summer programs~~ extended school year services for children  
94.17 with a disability living within the district and nonresident children temporarily placed in  
94.18 the district pursuant to section 125A.15 or 125A.16. Prior to March 31 or 30 days after the  
94.19 child with a disability is placed in the district, whichever is later, the providing district  
94.20 shall give notice to the district of residence of any nonresident children temporarily placed  
94.21 in the district pursuant to section 125A.15 or 125A.16, of its intention to provide these  
94.22 programs. Notwithstanding any contrary provisions in sections 125A.15 and 125A.16, the  
94.23 district providing the special instruction and services must apply for special education  
94.24 aid for the ~~summer program~~ extended school year services. The unreimbursed actual cost  
94.25 of providing the program for nonresident children with a disability, including the cost of  
94.26 board and lodging, may be billed to the district of the child's residence and must be paid  
94.27 by the resident district. Transportation costs must be paid by the district responsible  
94.28 for providing transportation pursuant to section 125A.15 or 125A.16 and transportation  
94.29 aid must be paid to that district.

94.30 Sec. 7. Minnesota Statutes 2006, section 125A.63, is amended by adding a subdivision  
94.31 to read:

94.32 Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a)  
94.33 The coordinator shall:

95.1 (1) collaborate with the early hearing detection and intervention coordinator for the  
95.2 Department of Health, the director of the Department of Education Resource Center for  
95.3 Deaf and Hard-of-Hearing, and the Department of Health Early Hearing Detection and  
95.4 Intervention Advisory Council;

95.5 (2) coordinate and support Department of Education early hearing detection and  
95.6 intervention teams;

95.7 (3) leverage resources by serving as a liaison between interagency early intervention  
95.8 committees; part C coordinators from the Departments of Education, Health, and  
95.9 Human Services; Department of Education regional low-incidence facilitators; service  
95.10 coordinators from school districts; Minnesota children with special health needs in the  
95.11 Department of Health; public health nurses; child find; Department of Human Services  
95.12 Deaf and Hard-of-Hearing Services Division; and others as appropriate;

95.13 (4) identify, support, and promote culturally appropriate and evidence-based early  
95.14 intervention practices for infants with hearing loss, and provide training, outreach, and use  
95.15 of technology to increase consistency in statewide service provision;

95.16 (5) identify culturally appropriate specialized reliable and valid instruments to assess  
95.17 and track the progress of children with hearing loss and promote their use;

95.18 (6) ensure that early childhood providers, parents, and members of the individual  
95.19 family service and intervention plan are provided with child progress data resulting from  
95.20 specialized assessments;

95.21 (7) educate early childhood providers and teachers of the deaf and hard-of-hearing  
95.22 to use developmental data from specialized assessments to plan and adjust individual  
95.23 family service plans; and

95.24 (8) make recommendations that would improve educational outcomes to the early  
95.25 hearing detection and intervention committee, the commissioners of education and health,  
95.26 the Minnesota Commission Serving Deaf and Hard-of-Hearing People, and the advisory  
95.27 council of the Minnesota Department of Education Resource Center for the Deaf and  
95.28 Hard-of-Hearing.

95.29 (b) The Department of Education must provide aggregate data regarding outcomes  
95.30 of deaf and hard-of-hearing children who receive early intervention services within the  
95.31 state in accordance with the state performance plan.

95.32 Sec. 8. Minnesota Statutes 2006, section 125A.75, subdivision 1, is amended to read:

95.33 Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum  
95.34 actually expended by a district, based on mileage, for necessary travel of essential

96.1 personnel providing home-based or community-based services to children with a disability  
96.2 under age five and their families.

96.3 Sec. 9. Minnesota Statutes 2006, section 125A.75, subdivision 4, is amended to read:

96.4 Subd. 4. **Program and aid approval.** Before June 1 of each year, each district  
96.5 providing special instruction and services to children with a disability, including children  
96.6 eligible for Part C, as defined in sections 125A.02, subdivision 1, and 125A.27, subdivision  
96.7 8, must submit to the commissioner an application for approval of these programs and their  
96.8 budgets for the next fiscal year. The application must include an enumeration of the costs  
96.9 proposed as eligible for state aid pursuant to this section and of the estimated number and  
96.10 grade level of children with a disability in the district who will receive special instruction  
96.11 and services ~~during the regular school year and in summer school programs~~ during  
96.12 the next fiscal year. The application must also include any other information deemed  
96.13 necessary by the commissioner for the calculation of state aid and for the evaluation of the  
96.14 necessity of the program, the necessity of the personnel to be employed in the program,  
96.15 for determining the amount which the program will receive from grants from federal  
96.16 funds, or special grants from other state sources, and the program's compliance with the  
96.17 rules and standards of the Department of Education. The commissioner shall review each  
96.18 application to determine whether the program and the personnel to be employed in the  
96.19 program are actually necessary and essential to meet the district's obligation to provide  
96.20 special instruction and services to children with a disability pursuant to sections 125A.03  
96.21 to 125A.24, 125A.259 to 125A.48, and 125A.65. The commissioner shall not approve aid  
96.22 pursuant to this section for any program or for the salary of any personnel determined to  
96.23 be unnecessary or unessential on the basis of this review. The commissioner may withhold  
96.24 all or any portion of the aid for programs which receive grants from federal funds, or  
96.25 special grants from other state sources. By August 31 the commissioner shall approve,  
96.26 disapprove, or modify each application, and notify each applying district of the action  
96.27 and of the estimated amount of aid for the programs. The commissioner shall provide  
96.28 procedures for districts to submit additional applications for program and budget approval  
96.29 during the fiscal year, for programs needed to meet any substantial changes in the needs  
96.30 of children with a disability in the district. Notwithstanding the provisions of section  
96.31 127A.42, the commissioner may modify or withdraw the program or aid approval and  
96.32 withhold aid pursuant to this section without proceeding according to section 127A.42  
96.33 at any time the commissioner determines that the program does not comply with rules  
96.34 of the Department of Education or that any facts concerning the program or its budget  
96.35 differ from the facts in the district's approved application.

97.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

97.2 Sec. 10. Minnesota Statutes 2006, section 125A.76, subdivision 1, is amended to read:

97.3 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
97.4 subdivision apply.

97.5 (a) ~~"Base year" for fiscal year 1998 and later fiscal years means the second fiscal~~  
97.6 ~~year preceding the fiscal year for which aid will be paid.~~

97.7 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

97.8 For the purposes of computing basic revenue pursuant to this section, each child with a  
97.9 disability shall be counted as prescribed in section 126C.05, subdivision 1.

97.10 (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
97.11 support services staff providing direct services to students. Essential personnel may also  
97.12 include special education paraprofessionals or clericals providing support to teachers and  
97.13 students by preparing paperwork and making arrangements related to special education  
97.14 compliance requirements, including parent meetings and individual education plans.

97.15 (d) "Average daily membership" has the meaning given it in section 126C.05.

97.16 (e) "Program growth factor" means 1.046 for fiscal year 2003, and 1.0 for fiscal  
97.17 year 2004 and later.

97.18 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

97.19 Sec. 11. Minnesota Statutes 2006, section 125A.76, subdivision 2, is amended to read:

97.20 Subd. 2. **Special education ~~base revenue~~ initial aid.** (a) The special education  
97.21 ~~base revenue~~ initial aid equals the sum of the following amounts computed using ~~base~~  
97.22 current year data:

97.23 (1) 68 percent of the salary of each essential person employed in the district's  
97.24 program for children with a disability during the fiscal year, whether the person is  
97.25 employed by one or more districts or a Minnesota correctional facility operating on a  
97.26 fee-for-service basis;

97.27 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy  
97.28 for the Blind, 68 percent of the salary of each instructional aide assigned to a child  
97.29 attending the academy, if that aide is required by the child's individual education plan;

97.30 (3) for special instruction and services provided to any pupil by contracting with  
97.31 public, private, or voluntary agencies other than school districts, in place of special  
97.32 instruction and services provided by the district, 52 percent of the difference between  
97.33 the amount of the contract and ~~the amount of the basic revenue, as defined in section~~  
97.34 ~~126C.10, subdivision 2, special education aid, and any other aid earned on behalf of the~~

98.1 ~~child~~ the general education revenue, excluding basic skills revenue and alternative teacher  
98.2 compensation revenue, and referendum equalization aid attributable to a pupil, calculated  
98.3 using the resident district's average general education revenue and referendum equalization  
98.4 aid per adjusted pupil unit for the fraction of the school day the pupil receives services  
98.5 under the contract. This includes children who are residents of the state, receive services  
98.6 under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility  
98.7 by court action in a state that does not have a reciprocity agreement with the commissioner  
98.8 under section 125A.155 as provided for in section 125A.79, subdivision 8;

98.9 (4) for special instruction and services provided to any pupil by contracting for  
98.10 services with public, private, or voluntary agencies other than school districts, that are  
98.11 supplementary to a full educational program provided by the school district, 52 percent of  
98.12 the amount of the contract for that pupil;

98.13 (5) for supplies and equipment purchased or rented for use in the instruction of  
98.14 children with a disability, an amount equal to 47 percent of the sum actually expended by  
98.15 the district, or a Minnesota correctional facility operating on a fee-for-service basis, but  
98.16 not to exceed an average of \$47 in any one school year for each child with a disability  
98.17 receiving instruction;

98.18 (6) ~~for fiscal years 1997 and later,~~ special education base revenue shall include  
98.19 amounts under clauses (1) to (5) for special education summer programs provided during  
98.20 the base year for that fiscal year; ~~and~~

98.21 (7) ~~for fiscal years 1999 and later,~~ the cost of providing transportation services for  
98.22 children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4).

98.23 The department shall establish procedures through the uniform financial accounting  
98.24 and reporting system to identify and track all revenues generated from third-party billings  
98.25 as special education revenue at the school district level; include revenue generated from  
98.26 third-party billings as special education revenue in the annual cross-subsidy report; and  
98.27 exclude third-party revenue from calculation of excess cost aid to the districts; and

98.28 (8) the district's transition-disabled program initial aid according to section  
98.29 124D.454, subdivision 3.

98.30 ~~(b) If requested by a school district operating a special education program during~~  
98.31 ~~the base year for less than the full fiscal year, or a school district in which is located a~~  
98.32 ~~Minnesota correctional facility operating on a fee-for-service basis for less than the full~~  
98.33 ~~fiscal year, the commissioner may adjust the base revenue to reflect the expenditures~~  
98.34 ~~that would have occurred during the base year had the program been operated for the~~  
98.35 ~~full fiscal year.~~

99.1 ~~(c) Notwithstanding paragraphs (a) and (b), the portion of a school district's base~~  
 99.2 ~~revenue attributable to a Minnesota correctional facility operating on a fee-for-service~~  
 99.3 ~~basis during the facility's first year of operating on a fee-for-service basis shall be~~  
 99.4 ~~computed using current year data.~~

99.5 Sec. 12. Minnesota Statutes 2006, section 125A.76, subdivision 4, is amended to read:

99.6 Subd. 4. **State total special education aid.** ~~The state total special education aid~~  
 99.7 ~~for fiscal year 2004 equals \$530,642,000.~~ The state total special education aid for fiscal  
 99.8 year 2005 equals ~~\$529,164,000~~ \$572,297,000 for fiscal year 2008, \$573,122,000 for fiscal  
 99.9 year 2009, \$574,696,000 for fiscal year 2010, and \$576,653,000 for fiscal year 2011. The  
 99.10 state total special education aid for later fiscal years equals:

- 99.11 (1) the state total special education aid for the preceding fiscal year; times  
 99.12 (2) the program growth factor; times  
 99.13 (3) the greater of one, or the ratio of the state total average daily membership for the  
 99.14 current fiscal year to the state total average daily membership for the preceding fiscal year.

99.15 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

99.16 Sec. 13. Minnesota Statutes 2006, section 125A.76, subdivision 5, is amended to read:

99.17 Subd. 5. **School district special education aid.** ~~(a)~~ A school district's special  
 99.18 education aid for fiscal year ~~2000~~ 2008 and later equals the state total special education  
 99.19 aid, ~~minus the amount determined under paragraphs (b) and (c);~~ times the ratio of the  
 99.20 district's adjusted initial special education base revenue aid to the state total adjusted  
 99.21 initial special education base revenue aid. ~~If the commissioner of education modifies~~  
 99.22 ~~its rules for special education in a manner that increases a district's special education~~  
 99.23 ~~obligations or service requirements, the commissioner shall annually increase each~~  
 99.24 ~~district's special education aid by the amount necessary to compensate for the increased~~  
 99.25 ~~service requirements. The additional aid equals the cost in the current year attributable to~~  
 99.26 ~~rule changes not reflected in the computation of special education base revenue, multiplied~~  
 99.27 ~~by the appropriate percentages from subdivision 2.~~

99.28 ~~(b) Notwithstanding paragraph (a), if the special education base revenue for a~~  
 99.29 ~~district equals zero, the special education aid equals the amount computed according~~  
 99.30 ~~to subdivision 2 using current year data.~~

99.31 ~~(c) Notwithstanding paragraphs (a) and (b), if the special education base revenue for~~  
 99.32 ~~a district is greater than zero, and the base year amount for the district under subdivision~~  
 99.33 ~~2, paragraph (a), clause (7), equals zero, the special education aid equals the sum of the~~

100.1 ~~amount computed according to paragraph (a), plus the amount computed according to~~  
100.2 ~~subdivision 2, paragraph (a), clause (7), using current year data.~~

100.3 ~~(d) A charter school under section 124D.10 shall generate state special education~~  
100.4 ~~aid based on current year expenditures for its first four years of operation and only in its~~  
100.5 ~~fifth and later years shall paragraphs (a), (b), and (c) apply.~~

100.6 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

100.7 Sec. 14. Minnesota Statutes 2006, section 125A.76, is amended by adding a  
100.8 subdivision to read:

100.9 **Subd. 8. Special education forecast maintenance of effort.** (a) If, on the basis of  
100.10 a forecast of general fund revenues and expenditures under section 16A.103, the state's  
100.11 expenditures for special education and related services for children with disabilities  
100.12 from nonfederal sources for a fiscal year, including special education aid under section  
100.13 125A.76; special education excess cost aid under section 125A.76, subdivision 7; travel  
100.14 for home-based services under section 125A.75, subdivision 1; aid for students with  
100.15 disabilities under section 125A.75, subdivision 3; court-placed special education under  
100.16 section 125A.79, subdivision 4; out-of-state tuition under section 125A.79, subdivision 8;  
100.17 and direct expenditures by state agencies are projected to be less than the amount required  
100.18 to meet federal special education maintenance of effort, the additional amount required  
100.19 to meet federal special education maintenance of effort is added to the state total special  
100.20 education aid in section 125A.76, subdivision 4.

100.21 (b) If, on the basis of a forecast of general fund revenues and expenditures under  
100.22 section 16A.103, expenditures in the programs in paragraph (a) are projected to be greater  
100.23 than previously forecast for an enacted budget, and an addition to state total special  
100.24 education aid has been made under paragraph (a), the state total special education aid  
100.25 must be reduced by the lesser of the amount of the expenditure increase or the amount  
100.26 previously added to state total special education aid in section 125A.76, subdivision 4.

100.27 (c) For the purpose of this section, "previously forecast for an enacted budget" means  
100.28 the allocation of funding for these programs in the most recent forecast of general fund  
100.29 revenues and expenditures or the act appropriating money for these programs, whichever  
100.30 occurred most recently. It does not include planning estimates for a future biennium.

100.31 **EFFECTIVE DATE.** This section is effective for fiscal year 2008.

100.32 Sec. 15. Minnesota Statutes 2006, section 125A.79, subdivision 5, is amended to read:

101.1 Subd. 5. **Initial excess cost aid.** For fiscal years ~~2002~~ 2008 and later, a district's  
101.2 initial excess cost aid equals the ~~greatest~~ greater of:

101.3 (1) 75 percent of the difference between (i) the district's unreimbursed special  
101.4 education cost and (ii) 4.36 percent of the district's general revenue; or

101.5 (2) ~~70 percent of the difference between (i) the increase in the district's unreimbursed~~  
101.6 ~~special education cost between the base year as defined in section 125A.76, subdivision 1,~~  
101.7 ~~and the current year and (ii) 1.6 percent of the district's general revenue; or~~

101.8 ~~(3)~~ zero.

101.9 **EFFECTIVE DATE.** This section is effective for fiscal year 2008.

101.10 Sec. 16. Minnesota Statutes 2006, section 125A.79, subdivision 6, is amended to read:

101.11 Subd. 6. **State total special education excess cost aid.** The state total special  
101.12 education excess cost aid ~~for fiscal year 2005~~ equals ~~\$91,811,000~~ \$128,341,000 for fiscal  
101.13 year 2008, \$129,523,000 for fiscal year 2009, \$129,801,000 for fiscal year 2010, and  
101.14 \$130,193,000 for fiscal year 2011. ~~The state total special education excess cost aid equals~~  
101.15 ~~\$103,600,000 for fiscal year 2006 and \$104,700,000 for fiscal year 2007.~~ The state total  
101.16 special education excess cost aid for ~~fiscal year 2008~~ and later fiscal years equals:

101.17 (1) the state total special education excess cost aid for the preceding fiscal year; times

101.18 (2) the program growth factor; times

101.19 (3) the greater of one, or the ratio of the state total average daily membership for the  
101.20 current fiscal year to the state total average daily membership for the preceding fiscal year.

101.21 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

101.22 Sec. 17. Minnesota Statutes 2006, section 125A.79, subdivision 8, is amended to read:

101.23 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
101.24 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and  
101.25 treatment facility by court action in a state that does not have a reciprocity agreement  
101.26 with the commissioner under section 125A.155, the resident school district shall submit  
101.27 the balance of the tuition bills, minus the ~~amount of the basic revenue, as defined~~  
101.28 ~~by section 126C.10, subdivision 2, of the district for the child and general education~~  
101.29 revenue, excluding basic skills revenue and alternative teacher compensation revenue, and  
101.30 referendum equalization aid attributable to the pupil, calculated using the resident district's  
101.31 average general education revenue and referendum equalization aid per adjusted pupil unit  
101.32 minus the special education aid, and any other aid earned on behalf of the child contracted  
101.33 services initial aid attributable to the pupil.

102.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2008.

102.2 Sec. 18. Minnesota Statutes 2006, section 127A.47, subdivision 7, is amended to read:

102.3 Subd. 7. **Alternative attendance programs.** The general education aid and special  
102.4 education aid for districts must be adjusted for each pupil attending a nonresident district  
102.5 under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.08, and 124D.68. The  
102.6 adjustments must be made according to this subdivision.

102.7 (a) General education aid paid to a resident district must be reduced by an amount  
102.8 equal to the referendum equalization aid attributable to the pupil in the resident district.

102.9 (b) General education aid paid to a district serving a pupil in programs listed in this  
102.10 subdivision must be increased by an amount equal to the referendum equalization aid  
102.11 attributable to the pupil in the nonresident district.

102.12 (c) If the amount of the reduction to be made from the general education aid of the  
102.13 resident district is greater than the amount of general education aid otherwise due the  
102.14 district, the excess reduction must be made from other state aids due the district.

102.15 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
102.16 area learning center, operated according to paragraph (f), providing special instruction and  
102.17 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
102.18 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
102.19 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
102.20 including a proportionate amount for special transportation and unreimbursed building  
102.21 lease and debt service costs for facilities used primarily for special education, minus (2) if  
102.22 the pupil receives special instruction and services outside the regular classroom for more  
102.23 than 60 percent of the school day, the amount of general education revenue and referendum  
102.24 equalization aid attributable to that pupil for the portion of time the pupil receives special  
102.25 instruction and services outside of the regular classroom, excluding portions attributable to  
102.26 district and school administration, district support services, operations and maintenance,  
102.27 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
102.28 to that pupil, that is received by the district providing special instruction and services.  
102.29 For purposes of this paragraph, general education revenue and referendum equalization  
102.30 aid attributable to a pupil must be calculated using the serving district's average general  
102.31 education revenue and referendum equalization aid per adjusted pupil unit.

102.32 (e) For fiscal year 2007 and later, special education aid paid to a resident district  
102.33 must be reduced by an amount equal to (1) the actual cost of providing special instruction  
102.34 and services, including special transportation and unreimbursed building lease and debt  
102.35 service costs for facilities used primarily for special education, for a pupil with a disability,

103.1 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled  
103.2 in a program listed in this subdivision, minus (2) if the pupil receives special instruction  
103.3 and services outside the regular classroom for more than 60 percent of the school day,  
103.4 the amount of general education revenue and referendum equalization aid attributable  
103.5 to that pupil for the portion of time the pupil receives special instruction and services  
103.6 outside of the regular classroom, excluding portions attributable to district and school  
103.7 administration, district support services, operations and maintenance, capital expenditures,  
103.8 and pupil transportation, minus (3) special education aid attributable to that pupil, that is  
103.9 received by the district providing special instruction and services. For purposes of this  
103.10 paragraph, general education revenue and referendum equalization aid attributable to a  
103.11 pupil must be calculated using the serving district's average general education revenue  
103.12 and referendum equalization aid per adjusted pupil unit. Special education aid paid to the  
103.13 district or cooperative providing special instruction and services for the pupil, or to the  
103.14 fiscal agent district for a cooperative, must be increased by the amount of the reduction  
103.15 in the aid paid to the resident district. If the resident district's special education aid is  
103.16 insufficient to make the full adjustment, the remaining adjustment shall be made to other  
103.17 state aids due to the district.

103.18 (f) An area learning center operated by a service cooperative, intermediate district,  
103.19 education district, or a joint powers cooperative may elect through the action of the  
103.20 constituent boards to charge the resident district tuition for pupils rather than to have the  
103.21 general education revenue paid to a fiscal agent school district. Except as provided in  
103.22 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent  
103.23 of the district average general education revenue per pupil unit minus an amount equal to  
103.24 the product of the formula allowance according to section 126C.10, subdivision 2, times  
103.25 .0485, calculated without basic skills revenue and transportation sparsity revenue, times  
103.26 the number of pupil units for pupils attending the area learning center, plus the amount of  
103.27 compensatory revenue generated by pupils attending the area learning center.

103.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

103.29 Sec. 19. Laws 2006, chapter 263, article 3, section 15, is amended to read:

103.30 Sec. 15. **SPECIAL EDUCATION TUITION BILLING FOR FISCAL YEARS**  
103.31 **2006 ~~AND~~, 2007, AND 2008.**

103.32 (a) Notwithstanding Minnesota Statutes, sections 125A.11, subdivision 1, paragraph  
103.33 (a), and 127A.47, subdivision 7, paragraph (d), for fiscal year 2006 an intermediate  
103.34 district, special education cooperative, or school district that served as an applicant  
103.35 agency for a group of school districts for federal special education aids for fiscal year

104.1 2006 is not subject to the uniform special education tuition billing calculations, but may  
104.2 instead continue to bill the resident school districts for the actual unreimbursed costs  
104.3 of serving pupils with a disability as determined by the intermediate district, special  
104.4 education cooperative, or school district.

104.5 (b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph  
104.6 (c), for fiscal year 2007 only, an ~~applicant district~~ agency exempted from the uniform  
104.7 special education tuition billing calculations for fiscal year 2006 under paragraph (a)  
104.8 may apply to the commissioner for a ~~waiver~~ an exemption from the uniform special  
104.9 education tuition calculations and aid adjustments under Minnesota Statutes, sections  
104.10 125A.11, subdivision 1, paragraph (b), and 127A.47, subdivision 7, paragraph (e). The  
104.11 commissioner must grant the ~~waiver~~ exemption within 30 days of receiving the following  
104.12 information from the intermediate district, special education cooperative, or school district:

104.13 (1) a detailed description of the applicant district's methodology for calculating  
104.14 special education tuition for fiscal years 2006 and 2007, as required by the applicant  
104.15 district to recover the full cost of serving pupils with a disability;

104.16 (2) sufficient data to determine the total amount of special education tuition actually  
104.17 charged for each student with a disability, as required by the applicant district to recover  
104.18 the full cost of serving pupils with a disability in fiscal year 2006; and

104.19 (3) sufficient data to determine the amount that would have been charged for each  
104.20 student for fiscal year 2006 using the uniform tuition billing methodology according  
104.21 to Minnesota Statutes, sections 125A.11, subdivision 1, or 127A.47, subdivision 7,  
104.22 as applicable.

104.23 (c) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph  
104.24 (c), for fiscal year 2008 only, an agency granted an exemption from the uniform special  
104.25 education tuition billing calculations and aid adjustments for fiscal year 2007 under  
104.26 paragraph (b) may apply to the commissioner for a one-year extension of the exemption  
104.27 granted under paragraph (b). The commissioner must grant the extension within 30 days  
104.28 of receiving the request.

104.29 (d) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraphs  
104.30 (a) and (b), and section 127A.47, subdivision 7, paragraphs (d) and (e), for fiscal year 2007  
104.31 only, a school district or charter school not eligible for a waiver under Minnesota Statutes,  
104.32 section 125A.11, subdivision 1, paragraph (d), may apply to the commissioner for authority  
104.33 to charge the resident district an additional amount to recover any remaining unreimbursed  
104.34 costs of serving pupils with a disability. The application must include a description of the  
104.35 costs and the calculations used to determine the unreimbursed portion to be charged to the  
104.36 resident district. Amounts approved by the commissioner under this paragraph must be

105.1 included in the tuition billings or aid adjustments under paragraph (a) or (b), or Minnesota  
105.2 Statutes, section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

105.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

105.4 Sec. 20. **TASK FORCE TO COMPARE FEDERAL AND STATE SPECIAL**  
105.5 **EDUCATION REQUIREMENTS.**

105.6 **Subdivision 1. Establishment; duties.** A task force is established to recommend  
105.7 which state laws and rules that exceed or expand upon minimum federal special education  
105.8 requirements for providing special education programs and services to eligible students  
105.9 should be amended to conform with minimum federal requirements. The commissioner  
105.10 of the Bureau of Mediation Services under Minnesota Statutes, section 179.02, after  
105.11 consulting with interested stakeholders, shall appoint a ten-member task force composed  
105.12 of equal numbers of providers, advocates, regulators, consumers of special education  
105.13 services, lawyers who practice in the field of special education and represent either parents  
105.14 or school districts, special education teachers, and school officials. The commissioner must  
105.15 convene the task force by August 1, 2007, which shall meet regularly and shall review the  
105.16 January 25, 2006, report prepared by the Minnesota Department of Education Office of  
105.17 Compliance and Assistance and other relevant studies and resources analyzing differences  
105.18 between federal and state special education requirements. The terms and compensation of  
105.19 task force members are governed by Minnesota Statutes, section 15.059, subdivision 6.

105.20 **Subd. 2. Report.** The task force must submit to the education policy and finance  
105.21 committees of the legislature by February 15, 2008, a report that identifies and clearly  
105.22 and concisely explains each provision in state law or rule that exceeds or expands upon  
105.23 a minimum federal requirement contained in law or regulation for providing special  
105.24 education programs and services to eligible students. The report also must recommend  
105.25 which state provisions that exceed or expand upon a minimum federal requirement may  
105.26 be amended to conform with minimum federal requirements. The task force expires  
105.27 when it submits its report to the legislature.

105.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

105.29 Sec. 21. **APPROPRIATIONS.**

105.30 **Subdivision 1. Department of Education.** The sums indicated in this section are  
105.31 appropriated from the general fund to the Department of Education for the fiscal years  
105.32 designated.

106.1 Subd. 2. **Special education; regular.** For special education aid under Minnesota  
 106.2 Statutes, section 125A.75:

106.3 \$ 568,034,000 ..... 2008  
 106.4 \$ 573,040,000 ..... 2009

106.5 The 2008 appropriation includes \$52,965,000 for 2007 and \$515,069,000 for 2008.  
 106.6 The 2009 appropriation includes \$57,228,000 for 2008 and \$515,812,000 for 2009.

106.7 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,  
 106.8 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities  
 106.9 within the district boundaries for whom no district of residence can be determined:

106.10 \$ 1,538,000 ..... 2008  
 106.11 \$ 1,729,000 ..... 2009

106.12 If the appropriation for either year is insufficient, the appropriation for the other  
 106.13 year is available.

106.14 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
 106.15 services under Minnesota Statutes, section 125A.75, subdivision 1:

106.16 \$ 254,000 ..... 2008  
 106.17 \$ 284,000 ..... 2009

106.18 The 2008 appropriation includes \$22,000 for 2007 and \$232,000 for 2008.  
 106.19 The 2009 appropriation includes \$26,000 for 2008 and \$258,000 for 2009.

106.20 Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
 106.21 Statutes, section 125A.79, subdivision 7:

106.22 \$ 120,445,000 ..... 2008  
 106.23 \$ 129,128,000 ..... 2009

106.24 The 2008 appropriation includes \$34,969,000 for 2007 and \$85,476,000 for 2008.  
 106.25 The 2009 appropriation includes \$42,865,000 for 2008 and \$86,263,000 for 2009.

106.26 Subd. 6. **Transition for disabled students.** For aid for transition programs for  
 106.27 children with disabilities under Minnesota Statutes, section 124D.454:

106.28 \$ 879,000 ..... 2008

106.29 The 2008 appropriation includes \$879,000 for 2007 and \$0 for 2008.

106.30 Subd. 7. **Court-placed special education revenue.** For reimbursing serving  
 106.31 school districts for unreimbursed eligible expenditures attributable to children placed in  
 106.32 the serving school district by court action under Minnesota Statutes, section 125A.79,  
 106.33 subdivision 4:



108.1 (3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as  
 108.2 amended by Laws 1992, chapter 499, article 5, section 24; and

108.3 (4) obligations under section 123B.62.

108.4 (c) For purposes of this section, if a preexisting school district reorganized under  
 108.5 sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement  
 108.6 of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt  
 108.7 service equalization aid must be computed separately for each of the preexisting districts.

108.8 (d) For purposes of this section, the adjusted net tax capacity determined according  
 108.9 to section 127A.48 shall be adjusted to include a portion of the tax capacity of property  
 108.10 generally exempted from ad valorem taxes under section 272.02, subdivisions 64 and  
 108.11 65, equal to the product of that tax capacity times the ratio of the eligible debt service  
 108.12 revenue attributed to general obligation bonds to the total eligible debt service revenue  
 108.13 of the district.

108.14 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

108.15 Sec. 2. Minnesota Statutes 2006, section 123B.53, subdivision 4, is amended to read:

108.16 Subd. 4. **Debt service equalization revenue.** (a) The debt service equalization  
 108.17 revenue of a district equals the ~~sum of the first tier debt service equalization revenue and~~  
 108.18 ~~the second tier debt service equalization revenue.~~

108.19 (b) ~~The first tier debt service equalization revenue of a district equals the greater of~~  
 108.20 zero or the eligible debt service revenue minus the amount raised by a levy of 15 percent  
 108.21 times the adjusted debt service net tax capacity of the district ~~minus the second tier debt~~  
 108.22 ~~service equalization revenue of the district.~~

108.23 (c) ~~The second tier debt service equalization revenue of a district equals the greater~~  
 108.24 ~~of zero or the eligible debt service revenue, excluding alternative facilities levies under~~  
 108.25 ~~section 123B.59, subdivision 5, minus the amount raised by a levy of 25 percent times the~~  
 108.26 ~~adjusted net tax capacity of the district.~~

108.27 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

108.28 Sec. 3. Minnesota Statutes 2006, section 123B.53, subdivision 5, is amended to read:

108.29 Subd. 5. **Equalized debt service levy.** (a) ~~The equalized debt service levy of a~~  
 108.30 ~~district equals the sum of the first tier equalized debt service levy and the second tier~~  
 108.31 ~~equalized debt service levy.~~

108.32 (b) A district's ~~first tier~~ equalized debt service levy equals the district's ~~first tier~~ debt  
 108.33 service equalization revenue times the lesser of one or the ratio of:

109.1 (1) the quotient derived by dividing the adjusted debt service net tax capacity of the  
 109.2 district for the year before the year the levy is certified by the adjusted pupil units in the  
 109.3 district for the school year ending in the year prior to the year the levy is certified; to

109.4 (2) ~~\$3,200~~ 100 percent of the statewide adjusted net tax capacity equalizing factor.

109.5 ~~(c) A district's second tier equalized debt service levy equals the district's second tier~~  
 109.6 ~~debt service equalization revenue times the lesser of one or the ratio of:~~

109.7 ~~(1) the quotient derived by dividing the adjusted net tax capacity of the district for~~  
 109.8 ~~the year before the year the levy is certified by the adjusted pupil units in the district for~~  
 109.9 ~~the school year ending in the year prior to the year the levy is certified; to~~

109.10 ~~(2) \$8,000.~~

109.11 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

109.12 Sec. 4. Minnesota Statutes 2006, section 123B.54, is amended to read:

109.13 **123B.54 DEBT SERVICE AND SCHOOL BOND AGRICULTURAL CREDIT**  
 109.14 **APPROPRIATION.**

109.15 (a) ~~\$21,624,000~~ \$14,813,000 in fiscal year 2008 and ~~\$20,403,000,~~ \$26,100,000 in  
 109.16 fiscal year 2009, \$29,816,000 in fiscal year 2010, and \$30,538,000 in fiscal year 2011 and  
 109.17 later are appropriated from the general fund to the commissioner of education for payment  
 109.18 of debt service equalization aid under section 123B.53.

109.19 (b) \$10,000,000 in fiscal year 2009, \$10,475,000 in fiscal year 2010, and  
 109.20 \$10,948,000 in fiscal year 2011 and each year thereafter are appropriated from the general  
 109.21 fund to the commissioner of education for payment of school bond agricultural credit aid  
 109.22 under section 123B.555.

109.23 ~~(b)~~ (c) The appropriations in ~~paragraph~~ paragraphs (a) and (b) must be reduced by  
 109.24 the amount of any money specifically appropriated for the same purpose in any year  
 109.25 from any state fund.

109.26 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

109.27 Sec. 5. **[123B.555] SCHOOL BOND AGRICULTURAL CREDIT.**

109.28 Subdivision 1. **Eligibility.** All class 2 property under section 273.13, subdivision 23,  
 109.29 except for (1) property consisting of the house, garage, and immediately surrounding one  
 109.30 acre of land of an agricultural homestead, and (2) property classified under section 273.13,  
 109.31 subdivision 23, paragraph (b), clause (4), is eligible to receive the credit under this section.

110.1 Subd. 2. **Credit amount.** For each qualifying property, the school bond agricultural  
110.2 credit is equal to 20 percent of the property's eligible net tax capacity multiplied by the  
110.3 school debt tax rate determined under section 275.08, subdivision 1b.

110.4 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax  
110.5 reductions allowed under this section within the county for each taxes payable year and  
110.6 shall certify that amount to the commissioner of revenue as a part of the abstracts of tax  
110.7 lists submitted under section 275.29. Any prior year adjustments shall also be certified on  
110.8 the abstracts of tax lists. The commissioner shall review the certifications for accuracy,  
110.9 and may make such changes as are deemed necessary, or return the certification to the  
110.10 county auditor for correction. The credit under this section must be used to reduce the  
110.11 school district net tax capacity-based property tax as provided in section 273.1393.

110.12 Subd. 4. **Payment.** The commissioner of revenue shall certify the total of the tax  
110.13 reductions granted under this section for each taxes payable year within each school  
110.14 district to the commissioner of education, who shall pay the reimbursement amounts to  
110.15 each school district as provided in section 273.1392.

110.16 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

110.17 Sec. 6. Minnesota Statutes 2006, section 123B.57, subdivision 3, is amended to read:

110.18 Subd. 3. **Health and safety revenue.** A district's health and safety revenue  
110.19 for a fiscal year equals the district's alternative facilities levy under section 123B.59,  
110.20 subdivision 5, paragraph (b), plus the greater of zero or:

110.21 (1) the sum of (a) the total approved cost of the district's hazardous substance  
110.22 plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's  
110.23 health and safety program for fiscal year 1990 through the fiscal year to which the levy  
110.24 is attributable, excluding expenditures funded with bonds issued under section 123B.59  
110.25 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section  
110.26 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or  
110.27 6; and other federal, state, or local revenues, minus

110.28 (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years  
110.29 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the  
110.30 district's health and safety revenue under this subdivision, for years before the fiscal year  
110.31 to which the levy is attributable.

110.32 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2009.

110.33 Sec. 7. Minnesota Statutes 2006, section 123B.63, subdivision 3, is amended to read:

111.1 Subd. 3. **Capital project levy referendum.** A district may levy the local tax  
 111.2 rate approved by a majority of the electors voting on the question to provide funds for  
 111.3 an approved project. The election must take place no more than five years before the  
 111.4 estimated date of commencement of the project. The referendum must be held on a date  
 111.5 set by the board. A referendum for a project not receiving a positive review and comment  
 111.6 by the commissioner under section 123B.71 must be approved by at least 60 percent of the  
 111.7 voters at the election. The referendum may be called by the school board and may be held:

111.8 (1) separately, before an election for the issuance of obligations for the project  
 111.9 under chapter 475; or

111.10 (2) in conjunction with an election for the issuance of obligations for the project  
 111.11 under chapter 475; or

111.12 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the  
 111.13 capital project levy and the issuance of obligations for the project under chapter 475. Any  
 111.14 obligations authorized for a project may be issued within five years of the date of the  
 111.15 election.

111.16 The ballot must provide a general description of the proposed project, state the  
 111.17 estimated total cost of the project, state whether the project has received a positive or  
 111.18 negative review and comment from the commissioner, state the maximum amount of the  
 111.19 capital project levy as a percentage of net tax capacity, state the amount that will be raised  
 111.20 by that local tax rate in the first year it is to be levied, and state the maximum number of  
 111.21 years that the levy authorization will apply.

111.22 The ballot must contain a textual portion with the information required in this  
 111.23 section and a question stating substantially the following:

111.24 "Shall the capital project levy proposed by the board of ..... School District  
 111.25 No. .... be approved?"

111.26 If approved, the amount provided by the approved local tax rate applied to the net  
 111.27 tax capacity for the year preceding the year the levy is certified may be certified for the  
 111.28 number of years, not to exceed ten, approved.

111.29 In the event a conjunctive question proposes to authorize both the capital project  
 111.30 levy and the issuance of obligations for the project, appropriate language authorizing the  
 111.31 issuance of obligations must also be included in the question.

111.32 The district must notify the commissioner of the results of the referendum.

111.33 **EFFECTIVE DATE.** This section is effective July 1, 2007, for elections conducted  
 111.34 on or after that day.

112.1 Sec. 8. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision  
112.2 to read:

112.3 Subd. 2a. **Statewide adjusted net tax capacity equalizing factor.** The statewide  
112.4 adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total  
112.5 adjusted net tax capacity of all school districts in the state for the year before the year  
112.6 the levy is certified by the total number of adjusted pupil units in the state for the fiscal  
112.7 year preceding the year the levy is certified.

112.8 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

112.9 Sec. 9. Minnesota Statutes 2006, section 127A.48, is amended by adding a subdivision  
112.10 to read:

112.11 Subd. 17. **Adjusted debt service net tax capacity.** To calculate each district's  
112.12 adjusted debt service net tax capacity, the commissioner of revenue must recompute  
112.13 the amounts in this section using an alternative sales ratio comparing the sales price to  
112.14 the estimated market value of the property.

112.15 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
112.16 computing taxes payable in 2008.

112.17 Sec. 10. Minnesota Statutes 2006, section 128D.11, subdivision 3, is amended to read:

112.18 Subd. 3. **No election.** Subject to the provisions of subdivisions 7 to 10, the school  
112.19 district may also by a two-thirds majority vote of all the members of its board of education  
112.20 and without any election by the voters of the district, issue and sell in each calendar  
112.21 year general obligation bonds of the district in an amount not to exceed 5-1/10 per cent  
112.22 of the net tax capacity of the taxable property in the district (plus, for calendar years  
112.23 1990 to 2003, an amount not to exceed \$7,500,000, ~~and~~ for calendar years 2004 to 2008  
112.24 an amount not to exceed \$15,000,000, and for each calendar year after 2008, an amount  
112.25 not to exceed \$15,000,000; with an additional provision that any amount of bonds so  
112.26 authorized for sale in a specific year and not sold can be carried forward and sold in  
112.27 the year immediately following).

112.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.

112.29 Sec. 11. Minnesota Statutes 2006, section 273.11, subdivision 1a, is amended to read:

112.30 Subd. 1a. **Limited market value.** In the case of all property classified as  
112.31 agricultural homestead or nonhomestead, residential homestead or nonhomestead, timber,

113.1 or noncommercial seasonal residential recreational, the assessor shall compare the value  
113.2 with the taxable portion of the value determined in the preceding assessment.

113.3 For assessment years 2004, 2005, and 2006, the amount of the increase shall not  
113.4 exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 25  
113.5 percent of the difference between the current assessment and the preceding assessment.

113.6 For assessment year 2007, the amount of the increase shall not exceed the greater of  
113.7 (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference  
113.8 between the current assessment and the preceding assessment.

113.9 For assessment year 2008, the amount of the increase shall not exceed the greater of  
113.10 (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference  
113.11 between the current assessment and the preceding assessment.

113.12 This limitation shall not apply to increases in value due to improvements. For  
113.13 purposes of this subdivision, the term "assessment" means the value prior to any exclusion  
113.14 under subdivision 16.

113.15 The provisions of this subdivision shall be in effect through assessment year 2008  
113.16 as provided in this subdivision.

113.17 For purposes of the assessment/sales ratio study conducted under section 127A.48,  
113.18 and the computation of state aids paid under chapters 122A, 123A, 123B, excluding  
113.19 section 123B.53, 124D, 125A, 126C, 127A, and 477A, market values and net tax  
113.20 capacities determined under this subdivision and subdivision 16, shall be used.

113.21 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
113.22 computing taxes payable in 2008.

113.23 Sec. 12. Minnesota Statutes 2006, section 273.1393, is amended to read:

113.24 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

113.25 Notwithstanding any other provisions to the contrary, "net" property taxes are  
113.26 determined by subtracting the credits in the order listed from the gross tax:

- 113.27 (1) disaster credit as provided in section 273.123;  
113.28 (2) powerline credit as provided in section 273.42;  
113.29 (3) agricultural preserves credit as provided in section 473H.10;  
113.30 (4) enterprise zone credit as provided in section 469.171;  
113.31 (5) disparity reduction credit;  
113.32 (6) conservation tax credit as provided in section 273.119;  
113.33 (7) homestead and agricultural credits as provided in section 273.1384;  
113.34 (8) school bond agricultural credit as provided in section 123B.555;

114.1 ~~(8)~~ (9) taconite homestead credit as provided in section 273.135; and

114.2 ~~(9)~~ (10) supplemental homestead credit as provided in section 273.1391.

114.3 The combination of all property tax credits must not exceed the gross tax amount.

114.4 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

114.5 Sec. 13. Minnesota Statutes 2006, section 275.065, subdivision 3, is amended to read:

114.6 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare  
114.7 and the county treasurer shall deliver after November 10 and on or before November 24  
114.8 each year, by first class mail to each taxpayer at the address listed on the county's current  
114.9 year's assessment roll, a notice of proposed property taxes.

114.10 (b) The commissioner of revenue shall prescribe the form of the notice.

114.11 (c) The notice must inform taxpayers that it contains the amount of property taxes  
114.12 each taxing authority proposes to collect for taxes payable the following year. In the case  
114.13 of a town, or in the case of the state general tax, the final tax amount will be its proposed  
114.14 tax. In the case of taxing authorities required to hold a public meeting under subdivision 6,  
114.15 the notice must clearly state that each taxing authority, including regional library districts  
114.16 established under section 134.201, and including the metropolitan taxing districts as  
114.17 defined in paragraph (i), but excluding all other special taxing districts and towns, will  
114.18 hold a public meeting to receive public testimony on the proposed budget and proposed or  
114.19 final property tax levy, or, in case of a school district, on the current budget and proposed  
114.20 property tax levy. It must clearly state the time and place of each taxing authority's  
114.21 meeting, a telephone number for the taxing authority that taxpayers may call if they have  
114.22 questions related to the notice, and an address where comments will be received by mail.

114.23 (d) The notice must state for each parcel:

114.24 (1) the market value of the property as determined under section 273.11, and used  
114.25 for computing property taxes payable in the following year and for taxes payable in the  
114.26 current year as each appears in the records of the county assessor on November 1 of the  
114.27 current year; and, in the case of residential property, whether the property is classified as  
114.28 homestead or nonhomestead. The notice must clearly inform taxpayers of the years to  
114.29 which the market values apply and that the values are final values;

114.30 (2) the items listed below, shown separately by county, city or town, and state  
114.31 general tax, net of the residential and agricultural homestead credit under section 273.1384  
114.32 and the school bond agricultural credit under section 123B.555, voter approved school  
114.33 levy, other local school levy, and the sum of the special taxing districts, and as a total  
114.34 of all taxing authorities:

114.35 (i) the actual tax for taxes payable in the current year; and

115.1 (ii) the proposed tax amount.

115.2 If the county levy under clause (2) includes an amount for a lake improvement  
115.3 district as defined under sections 103B.501 to 103B.581, the amount attributable for that  
115.4 purpose must be separately stated from the remaining county levy amount.

115.5 In the case of a town or the state general tax, the final tax shall also be its proposed  
115.6 tax unless the town changes its levy at a special town meeting under section 365.52. If a  
115.7 school district has certified under section 126C.17, subdivision 9, that a referendum will  
115.8 be held in the school district at the November general election, the county auditor must  
115.9 note next to the school district's proposed amount that a referendum is pending and that,  
115.10 if approved by the voters, the tax amount may be higher than shown on the notice. In  
115.11 the case of the city of Minneapolis, the levy for the Minneapolis Library Board and the  
115.12 levy for Minneapolis Park and Recreation shall be listed separately from the remaining  
115.13 amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul  
115.14 Library Agency must be listed separately from the remaining amount of the city's levy.  
115.15 In the case of Ramsey County, any amount levied under section 134.07 may be listed  
115.16 separately from the remaining amount of the county's levy. In the case of a parcel where  
115.17 tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies,  
115.18 the proposed tax levy on the captured value or the proposed tax levy on the tax capacity  
115.19 subject to the areawide tax must each be stated separately and not included in the sum of  
115.20 the special taxing districts; and

115.21 (3) the increase or decrease between the total taxes payable in the current year and  
115.22 the total proposed taxes, expressed as a percentage.

115.23 For purposes of this section, the amount of the tax on homesteads qualifying under  
115.24 the senior citizens' property tax deferral program under chapter 290B is the total amount  
115.25 of property tax before subtraction of the deferred property tax amount.

115.26 (e) The notice must clearly state that the proposed or final taxes do not include  
115.27 the following:

115.28 (1) special assessments;

115.29 (2) levies approved by the voters after the date the proposed taxes are certified,  
115.30 including bond referenda and school district levy referenda;

115.31 (3) a levy limit increase approved by the voters by the first Tuesday after the first  
115.32 Monday in November of the levy year as provided under section 275.73;

115.33 (4) amounts necessary to pay cleanup or other costs due to a natural disaster  
115.34 occurring after the date the proposed taxes are certified;

115.35 (5) amounts necessary to pay tort judgments against the taxing authority that become  
115.36 final after the date the proposed taxes are certified; and

116.1 (6) the contamination tax imposed on properties which received market value  
116.2 reductions for contamination.

116.3 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or  
116.4 the county treasurer to deliver the notice as required in this section does not invalidate the  
116.5 proposed or final tax levy or the taxes payable pursuant to the tax levy.

116.6 (g) If the notice the taxpayer receives under this section lists the property as  
116.7 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
116.8 applicable deadline, and the property qualifies for the homestead classification in that  
116.9 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
116.10 in the following year.

116.11 (h) In the case of class 4 residential property used as a residence for lease or rental  
116.12 periods of 30 days or more, the taxpayer must either:

116.13 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant,  
116.14 renter, or lessee; or

116.15 (2) post a copy of the notice in a conspicuous place on the premises of the property.

116.16 The notice must be mailed or posted by the taxpayer by November 27 or within  
116.17 three days of receipt of the notice, whichever is later. A taxpayer may notify the county  
116.18 treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to  
116.19 which the notice must be mailed in order to fulfill the requirements of this paragraph.

116.20 (i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special  
116.21 taxing districts" means the following taxing districts in the seven-county metropolitan area  
116.22 that levy a property tax for any of the specified purposes listed below:

116.23 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,  
116.24 473.446, 473.521, 473.547, or 473.834;

116.25 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;  
116.26 and

116.27 (3) Metropolitan Mosquito Control Commission under section 473.711.

116.28 For purposes of this section, any levies made by the regional rail authorities in the  
116.29 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter  
116.30 398A shall be included with the appropriate county's levy and shall be discussed at that  
116.31 county's public hearing.

116.32 (j) The governing body of a county, city, or school district may, with the consent  
116.33 of the county board, include supplemental information with the statement of proposed  
116.34 property taxes about the impact of state aid increases or decreases on property tax  
116.35 increases or decreases and on the level of services provided in the affected jurisdiction.  
116.36 This supplemental information may include information for the following year, the current

117.1 year, and for as many consecutive preceding years as deemed appropriate by the governing  
117.2 body of the county, city, or school district. It may include only information regarding:

117.3 (1) the impact of inflation as measured by the implicit price deflator for state and  
117.4 local government purchases;

117.5 (2) population growth and decline;

117.6 (3) state or federal government action; and

117.7 (4) other financial factors that affect the level of property taxation and local services  
117.8 that the governing body of the county, city, or school district may deem appropriate to  
117.9 include.

117.10 The information may be presented using tables, written narrative, and graphic  
117.11 representations and may contain instruction toward further sources of information or  
117.12 opportunity for comment.

117.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

117.14 Sec. 14. Minnesota Statutes 2006, section 275.07, subdivision 2, is amended to read:

117.15 Subd. 2. **School district in more than one county levies; special requirements.** (a)

117.16 In school districts lying in more than one county, the clerk shall certify the tax levied to the  
117.17 auditor of the county in which the administrative offices of the school district are located.

117.18 (b) The clerk shall identify the portion of the school district levy that is levied for the  
117.19 purposes specified in section 123B.53, subdivision 5, as the school debt levy at the time  
117.20 that the levy is certified under this section.

117.21 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

117.22 Sec. 15. Minnesota Statutes 2006, section 275.08, subdivision 1b, is amended to read:

117.23 Subd. 1b. **Computation of tax rates.** (a) The amounts certified to be levied against  
117.24 net tax capacity under section 275.07 by an individual local government unit shall be  
117.25 divided by the total net tax capacity of all taxable properties within the local government  
117.26 unit's taxing jurisdiction. The resulting ratio, the local government's local tax rate,  
117.27 multiplied by each property's net tax capacity shall be each property's net tax capacity tax  
117.28 for that local government unit before reduction by any credits.

117.29 (b) The auditor shall also determine the school debt tax rate for each school district  
117.30 equal to the school debt levy certified under section 275.07 divided by the total net tax  
117.31 capacity of all taxable property within the district.

117.32 (c) Any amount certified to the county auditor to be levied against market value shall  
117.33 be divided by the total referendum market value of all taxable properties within the taxing

118.1 district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by  
118.2 each property's referendum market value shall be each property's new referendum tax  
118.3 before reduction by any credits. For the purposes of this subdivision, "referendum market  
118.4 value" means the market value as defined in section 126C.01, subdivision 3.

118.5 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

118.6 Sec. 16. Minnesota Statutes 2006, section 276.04, subdivision 2, is amended to read:

118.7 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the  
118.8 printing of the tax statements. The commissioner of revenue shall prescribe the form  
118.9 of the property tax statement and its contents. The statement must contain a tabulated  
118.10 statement of the dollar amount due to each taxing authority and the amount of the state  
118.11 tax from the parcel of real property for which a particular tax statement is prepared. The  
118.12 dollar amounts attributable to the county, the state tax, the voter approved school tax, the  
118.13 other local school tax, the township or municipality, and the total of the metropolitan  
118.14 special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must  
118.15 be separately stated. The amounts due all other special taxing districts, if any, may be  
118.16 aggregated except that any levies made by the regional rail authorities in the county of  
118.17 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A  
118.18 shall be listed on a separate line directly under the appropriate county's levy. If the county  
118.19 levy under this paragraph includes an amount for a lake improvement district as defined  
118.20 under sections 103B.501 to 103B.581, the amount attributable for that purpose must be  
118.21 separately stated from the remaining county levy amount. In the case of Ramsey County,  
118.22 if the county levy under this paragraph includes an amount for public library service  
118.23 under section 134.07, the amount attributable for that purpose may be separated from the  
118.24 remaining county levy amount. The amount of the tax on homesteads qualifying under the  
118.25 senior citizens' property tax deferral program under chapter 290B is the total amount of  
118.26 property tax before subtraction of the deferred property tax amount. The amount of the  
118.27 tax on contamination value imposed under sections 270.91 to 270.98, if any, must also  
118.28 be separately stated. The dollar amounts, including the dollar amount of any special  
118.29 assessments, may be rounded to the nearest even whole dollar. For purposes of this section  
118.30 whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar.  
118.31 The amount of market value excluded under section 273.11, subdivision 16, if any, must  
118.32 also be listed on the tax statement.

118.33 (b) The property tax statements for manufactured homes and sectional structures  
118.34 taxed as personal property shall contain the same information that is required on the  
118.35 tax statements for real property.

119.1 (c) Real and personal property tax statements must contain the following information  
119.2 in the order given in this paragraph. The information must contain the current year tax  
119.3 information in the right column with the corresponding information for the previous year  
119.4 in a column on the left:

119.5 (1) the property's estimated market value under section 273.11, subdivision 1;

119.6 (2) the property's taxable market value after reductions under section 273.11,  
119.7 subdivisions 1a and 16;

119.8 (3) the property's gross tax, calculated by adding the property's total property tax to  
119.9 the sum of the aids enumerated in clause (4);

119.10 (4) a total of the following aids:

119.11 (i) education aids payable under chapters 122A, 123A, 123B, 124D, 125A, 126C,  
119.12 and 127A;

119.13 (ii) local government aids for cities, towns, and counties under sections 477A.011 to  
119.14 477A.04; and

119.15 (iii) disparity reduction aid under section 273.1398;

119.16 (5) for homestead residential and agricultural properties, the credits under ~~section~~  
119.17 sections 123B.555 and 273.1384;

119.18 (6) any credits received under sections 273.119; 273.123; 273.135; 273.1391;  
119.19 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received  
119.20 under section 273.135 must be separately stated and identified as "taconite tax relief"; and

119.21 (7) the net tax payable in the manner required in paragraph (a).

119.22 (d) If the county uses envelopes for mailing property tax statements and if the county  
119.23 agrees, a taxing district may include a notice with the property tax statement notifying  
119.24 taxpayers when the taxing district will begin its budget deliberations for the current  
119.25 year, and encouraging taxpayers to attend the hearings. If the county allows notices to  
119.26 be included in the envelope containing the property tax statement, and if more than  
119.27 one taxing district relative to a given property decides to include a notice with the tax  
119.28 statement, the county treasurer or auditor must coordinate the process and may combine  
119.29 the information on a single announcement.

119.30 The commissioner of revenue shall certify to the county auditor the actual or  
119.31 estimated aids enumerated in paragraph (c), clause (4), that local governments will receive  
119.32 in the following year. The commissioner must certify this amount by January 1 of each  
119.33 year.

119.34 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

119.35 Sec. 17. **SCHOOL TECHNOLOGY AID.**

- 120.1 Subdivision 1. **Advisory task force established.** An advisory task force on school  
120.2 technology standards is established to develop and recommend to the commissioner of  
120.3 education and the education policy and finance committees of the legislature school  
120.4 technology standards and systems. At a minimum, the advisory task force must propose:
- 120.5 (1) minimum standards for technology infrastructure and capacity;
  - 120.6 (2) standards for local and state online student assessments;
  - 120.7 (3) standards for electronic student records;
  - 120.8 (4) school interoperability frameworks;
  - 120.9 (5) policies and procedures that ensure instructional resource availability to help  
120.10 students successfully achieve education excellence and state standards;
  - 120.11 (6) databases that are accessible to and within each district and on the Internet;
  - 120.12 (7) policies, procedures, and systems that stimulate and promote teacher and student  
120.13 curriculum and learning collaboration;
  - 120.14 (8) uniform technology standards;
  - 120.15 (9) adequate Internet and bandwidth capacity; and
  - 120.16 (10) the Department of Education data collection procedures under each of the  
120.17 department's major data reporting systems, and recommendations for streamlining the  
120.18 reporting of school district data and eliminating duplication.
- 120.19 Subd. 2. **Advisory task force members.** (a) The commissioner of education shall  
120.20 appoint as members to the advisory task force a representative from each of the following:
- 120.21 (1) one member from the Department of Education who shall serve as chair;
  - 120.22 (2) one member from the Office of Enterprise Technology;
  - 120.23 (3) one member from a list of school technology experts submitted to the  
120.24 commissioner by Education Minnesota;
  - 120.25 (4) one member from a list of school technology experts submitted to the  
120.26 commissioner by the Minnesota School Boards Association;
  - 120.27 (5) one member from a list of school technology experts submitted to the  
120.28 commissioner by the Association of Metropolitan School Districts;
  - 120.29 (6) one member from a list of school technology experts submitted to the  
120.30 commissioner by the Minnesota Rural Education Association;
  - 120.31 (7) one member from a list of school technology experts submitted to the  
120.32 commissioner by the Schools for Equity in Education;
  - 120.33 (8) one member from a list of school technology experts submitted to the  
120.34 commissioner by the service cooperatives;
  - 120.35 (9) one member from a list of school technology experts submitted to the  
120.36 commissioner by the Minnesota Association of School Administrators;

121.1 (10) one member from a list of school technology experts submitted to the  
121.2 commissioner by Minnesota Educational Media Organization;

121.3 (11) one member from a list of school technology experts submitted to the  
121.4 commissioner by the Minnesota State Colleges and Universities;

121.5 (12) one member from a list of school technology experts submitted to the  
121.6 commissioner by the president of the University of Minnesota; and

121.7 (13) one member from a list of technology experts submitted to the commissioner  
121.8 by the online advisory council.

121.9 (b) The commissioner of education shall provide needed materials and assistance to  
121.10 the task force upon request.

121.11 (c) Advisory task force members' terms and other task force matters are subject to  
121.12 Minnesota Statutes, section 15.059. The advisory task force must submit by February 15,  
121.13 2008, to the commissioner of education and the education policy and finance committees  
121.14 of the legislature a written report that includes the recommendations under subdivision 1.

121.15 (d) The advisory task force expires on February 16, 2008.

121.16 Subd. 3. **Funding.** A school technology funding program is established to assist  
121.17 school districts, consortiums of school districts, and charter schools to achieve the school  
121.18 technology standards proposed in subdivision 1.

121.19 School technology aid equals \$30 times the district's adjusted marginal cost pupil  
121.20 units for fiscal year 2009.

121.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

121.22 **Sec. 18. ADMINISTRATIVE LEASE LEVY; SPRING LAKE PARK.**

121.23 Notwithstanding the instructional purposes limitation of Minnesota Statutes, section  
121.24 126C.40, subdivision 1, Independent School District No. 16, Spring Lake Park, may lease  
121.25 a building for administrative purposes and include the lease under Minnesota Statutes,  
121.26 section 126C.40, subdivision 1.

121.27 **Sec. 19. BONDING AUTHORIZATION.**

121.28 To provide funds for the acquisition or betterment of school facilities, Independent  
121.29 School District No. 625, St. Paul, may by two-thirds majority vote of all the members  
121.30 of the board of directors issue general obligation bonds in one or more series for each  
121.31 calendar year following 2008, as provided in this section. The aggregate principal  
121.32 amount of any bonds issued under this section for each calendar year must not exceed  
121.33 \$15,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or  
121.34 475.59. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter

122.1 475. The authority to issue bonds under this section is in addition to any bonding authority  
 122.2 authorized by Minnesota Statutes, chapter 123B, or other law. The amount of bonding  
 122.3 authority authorized under this section must be disregarded in calculating the bonding  
 122.4 limit of Minnesota Statutes, chapter 123B, or any other law other than Minnesota Statutes,  
 122.5 section 475.53, subdivision 4.

122.6 **EFFECTIVE DATE.** This section is effective the day following final enactment.

122.7 **Sec. 20. TAX LEVY FOR DEBT SERVICE.**

122.8 To pay the principal of and interest on bonds issued under section 19, Independent  
 122.9 School District No. 625, St. Paul, must levy a tax annually in an amount sufficient  
 122.10 under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of  
 122.11 and interest on the bonds. The tax authorized under this section is in addition to the  
 122.12 taxes authorized to be levied under Minnesota Statutes, chapter 123B, 124D, or 126C, or  
 122.13 other law.

122.14 **EFFECTIVE DATE.** This section is effective the day following final enactment.

122.15 **Sec. 21. APPROPRIATIONS.**

122.16 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 122.17 appropriated from the general fund to the Department of Education for the fiscal years  
 122.18 designated.

122.19 Subd. 2. **Health and safety revenue.** For health and safety aid according to  
 122.20 Minnesota Statutes, section 123B.57, subdivision 5:

122.21	\$	<u>190,000</u>	<u>.....</u>	<u>2008</u>
122.22	\$	<u>179,000</u>	<u>.....</u>	<u>2009</u>

122.23 The 2008 appropriation includes \$20,000 for 2007 and \$170,000 for 2008.

122.24 The 2009 appropriation includes \$18,000 for 2008 and \$161,000 for 2009.

122.25 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota  
 122.26 Statutes, section 123B.53, subdivision 6:

122.27	\$	<u>14,813,000</u>	<u>.....</u>	<u>2008</u>
122.28	\$	<u>26,100,000</u>	<u>.....</u>	<u>2009</u>

122.29 The 2008 appropriation includes \$1,767,000 for 2007 and \$13,046,000 for 2008.

122.30 The 2009 appropriation includes \$1,450,000 for 2008 and \$24,650,000 for 2009.

123.1 Subd. 4. **School bond agricultural credit aid.** For school bond agricultural credit  
 123.2 aid:  
 123.3 \$ 10,000,000 ..... 2009

123.4 Subd. 5. **Alternative facilities bonding aid.** For alternative facilities bonding aid,  
 123.5 according to Minnesota Statutes, section 123B.59, subdivision 1:  
 123.6 \$ 19,287,000 ..... 2008  
 123.7 \$ 19,287,000 ..... 2009

123.8 The 2008 appropriation includes \$1,928,000 for 2007 and \$17,359,000 for 2008.  
 123.9 The 2009 appropriation includes \$1,928,000 for 2008 and \$17,359,000 for 2009.

123.10 Subd. 6. **Equity in telecommunications access.** For equity in telecommunications  
 123.11 access:  
 123.12 \$ 7,622,000 ..... 2008  
 123.13 \$ 8,743,000 ..... 2009

123.14 If the appropriation amount is insufficient, the commissioner shall reduce the  
 123.15 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
 123.16 revenue for fiscal years 2008 and 2009 shall be prorated.  
 123.17 Any balance in the first year does not cancel but is available in the second year.  
 123.18 The base appropriation for fiscal year 2010 and later is \$3,750,000.

123.19 Subd. 7. **Deferred maintenance aid.** For deferred maintenance aid, according to  
 123.20 Minnesota Statutes, section 123B.591, subdivision 4:  
 123.21 \$ 3,290,000 ..... 2008  
 123.22 \$ 2,667,000 ..... 2009

123.23 The 2008 appropriation includes \$0 for 2007 and \$3,290,000 for 2008.  
 123.24 The 2009 appropriation includes \$368,000 for 2008 and \$2,302,000 for 2009.

123.25 Subd. 8. **Red Lake security reimbursement aid.** For Independent School District  
 123.26 No. 38, Red Lake, for onetime security reimbursement aid to improve infrastructure needs  
 123.27 in the Red Lake School District as a result of the March 21, 2005, school shooting:  
 123.28 \$ 132,000 ..... 2008

123.29 This is a onetime appropriation.

123.30 Subd. 9. **Rocori school district.** For Rocori, Independent School District No.  
 123.31 750, for Project Serv:  
 123.32 \$ 53,000 ..... 2008

124.1 Subd. 10. **School technology grants.** For school technology grants under section  
 124.2 17:  
 124.3 \$ 29,100,000 .... 2009  
 124.4 This is a onetime appropriation.

124.5 Subd. 11. **School Technology Advisory Task Force expenses.** For expenses of the  
 124.6 School Technology Advisory Task Force under section 17:  
 124.7 \$ 20,000 .... 2008  
 124.8 This is a onetime appropriation.

124.9 Subd. 12. **Eden Valley-Watkins; environmental remediation.** For a grant to  
 124.10 Independent School District No. 463, Eden Valley-Watkins, to recover the amount actually  
 124.11 spent on environmental remediation efforts related to the cleanup of a mercury spill.  
 124.12 \$ 126,000 .... 2008

124.13 **ARTICLE 5**

124.14 **NUTRITION AND ACCOUNTING**

124.15 Section 1. Minnesota Statutes 2006, section 123B.10, subdivision 1, is amended to read:  
 124.16 Subdivision 1. **Budgets.** Every board must publish revenue and expenditure  
 124.17 budgets for the current year and the actual revenues, expenditures, fund balances for  
 124.18 the prior year and projected fund balances for the current year in a form prescribed by  
 124.19 the commissioner within one week of the acceptance of the final audit by the board,  
 124.20 or November 30, whichever is earlier. The forms prescribed must be designed so that  
 124.21 year to year comparisons of revenue, expenditures and fund balances can be made.  
 124.22 ~~These budgets, reports of revenue, expenditures and fund balances must be published in~~  
 124.23 ~~a qualified newspaper of general circulation in the district or on the district's official~~  
 124.24 ~~Web site. If published on the district's official Web site, the district must also publish an~~  
 124.25 ~~announcement in a qualified newspaper of general circulation in the district that includes~~  
 124.26 ~~the Internet address where the information has been posted.~~

124.27 Sec. 2. Minnesota Statutes 2006, section 123B.10, is amended by adding a subdivision  
 124.28 to read:

124.29 Subd. 1a. **Form of notification.** A school board annually must notify the public of  
 124.30 its revenue, expenditures, fund balances, and other relevant budget information. The board  
 124.31 must include the budget information required by this section in the materials provided  
 124.32 as a part of its truth in taxation hearing, post the materials in a conspicuous place on

125.1 the district's official Web site, including a link to the district's school report card on the  
125.2 Department of Education's Web site, and publish the information in a qualified newspaper  
125.3 of general circulation in the district.

125.4 Sec. 3. Minnesota Statutes 2006, section 123B.143, subdivision 1, is amended to read:

125.5 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary  
125.6 school must employ a superintendent who shall be an ex officio nonvoting member of the  
125.7 school board. The authority for selection and employment of a superintendent must be  
125.8 vested in the board in all cases. An individual employed by a board as a superintendent  
125.9 shall have an initial employment contract for a period of time no longer than three years  
125.10 from the date of employment. Any subsequent employment contract must not exceed a  
125.11 period of three years. A board, at its discretion, may or may not renew an employment  
125.12 contract. A board must not, by action or inaction, extend the duration of an existing  
125.13 employment contract. Beginning 365 days prior to the expiration date of an existing  
125.14 employment contract, a board may negotiate and enter into a subsequent employment  
125.15 contract to take effect upon the expiration of the existing contract. A subsequent contract  
125.16 must be contingent upon the employee completing the terms of an existing contract. If a  
125.17 contract between a board and a superintendent is terminated prior to the date specified in  
125.18 the contract, the board may not enter into another superintendent contract with that same  
125.19 individual that has a term that extends beyond the date specified in the terminated contract.  
125.20 A board may terminate a superintendent during the term of an employment contract for any  
125.21 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall  
125.22 not rely upon an employment contract with a board to assert any other continuing contract  
125.23 rights in the position of superintendent under section 122A.40. Notwithstanding the  
125.24 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law  
125.25 to the contrary, no individual shall have a right to employment as a superintendent based  
125.26 on order of employment in any district. If two or more districts enter into an agreement for  
125.27 the purchase or sharing of the services of a superintendent, the contracting districts have  
125.28 the absolute right to select one of the individuals employed to serve as superintendent  
125.29 in one of the contracting districts and no individual has a right to employment as the  
125.30 superintendent to provide all or part of the services based on order of employment in a  
125.31 contracting district. The superintendent of a district shall perform the following:

125.32 (1) visit and supervise the schools in the district, report and make recommendations  
125.33 about their condition when advisable or on request by the board;

125.34 (2) recommend to the board employment and dismissal of teachers;

125.35 (3) superintend school grading practices and examinations for promotions;

- 126.1 (4) make reports required by the commissioner; and  
126.2 (5) ~~by January 10, submit an annual report to the commissioner in a manner~~  
126.3 ~~prescribed by the commissioner, in consultation with school districts, identifying the~~  
126.4 ~~expenditures that the district requires to ensure an 80 percent student passage rate on the~~  
126.5 ~~basic standards test taken in the eighth grade, identifying the highest student passage~~  
126.6 ~~rate the district expects it will be able to attain on the basic standards test by grade 12,~~  
126.7 ~~the amount of expenditures that the district requires to attain the targeted student passage~~  
126.8 ~~rate, and how much the district is cross-subsidizing programs with special education, basic~~  
126.9 ~~skills, and general education revenue; and~~  
126.10 (6) perform other duties prescribed by the board.

126.11 Sec. 4. Minnesota Statutes 2006, section 123B.77, subdivision 4, is amended to read:

126.12 Subd. 4. **Budget approval.** Prior to July 1 of each year, the board of each district  
126.13 must approve and adopt its revenue and expenditure budgets for the next school year.  
126.14 The budget document so adopted must be considered an expenditure-authorizing or  
126.15 appropriations document. No funds shall be expended by any board or district for any  
126.16 purpose in any school year prior to the adoption of the budget document which authorizes  
126.17 that expenditure, or prior to an amendment to the budget document by the board to  
126.18 authorize the expenditure. Expenditures of funds in violation of this subdivision shall be  
126.19 considered unlawful expenditures. ~~Prior to the appropriation of revenue for the next~~  
126.20 ~~school year in the initial budget, the board shall inform the principal or other responsible~~  
126.21 ~~administrative authority of each site of the amount of general education and referendum~~  
126.22 ~~revenue that the Department of Education estimates will be generated by the pupils~~  
126.23 ~~in attendance at each site. For purposes of this subdivision, a district may adjust the~~  
126.24 ~~department's estimates for school building openings, school building closings, changes~~  
126.25 ~~in attendance area boundaries, or other changes in programs or student demographics~~  
126.26 ~~not reflected in the department's calculations. A district must report to the department~~  
126.27 ~~any adjustments it makes according to this subdivision in the department's estimates~~  
126.28 ~~of compensatory revenue generated by the pupils in attendance at each site, and the~~  
126.29 ~~department must use the adjusted compensatory revenue estimates in preparing the report~~  
126.30 ~~required under section 123B.76, subdivision 3, paragraph (c):~~

126.31 **EFFECTIVE DATE.** This section is effective July 1, 2007.

126.32 Sec. 5. Minnesota Statutes 2006, section 123B.79, subdivision 8, is amended to read:

126.33 Subd. 8. **Account transfer for reorganizing districts.** A district that has  
126.34 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has

127.1 conducted a successful referendum on the question of combination under section  
127.2 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has  
127.3 been assigned an identification number by the commissioner under section 123A.48,  
127.4 subdivision 16, may make permanent transfers between any of the funds or accounts in  
127.5 the newly created or enlarged district with the exception of the debt redemption fund,  
127.6 food service fund, and health and safety account of the capital expenditure fund. Fund  
127.7 transfers under this section may be made for up to one year prior to the effective date of  
127.8 combination or consolidation by the consolidating boards and during the year following  
127.9 the effective date of reorganization by the consolidated board. The newly formed board of  
127.10 the combined district may adopt a resolution on or before August 30 of the year of the  
127.11 reorganization authorizing a transfer among accounts or funds of the previous independent  
127.12 school districts which transfer or transfers shall be reported in the affected districts'  
127.13 audited financial statements for the year immediately preceding the consolidation.

127.14 **EFFECTIVE DATE.** This section is effective July 1, 2007.

127.15 Sec. 6. Minnesota Statutes 2006, section 123B.79, is amended by adding a subdivision  
127.16 to read:

127.17 **Subd. 9. Elimination of reserve accounts.** A school board shall eliminate all  
127.18 reserve accounts established in the school district's general fund under Minnesota Statutes  
127.19 before July 1, 2006, for which no specific authority remains in statute as of June 30,  
127.20 2007. Any balance in the district's reserved for bus purchases account as of June 30,  
127.21 2007, shall be transferred to the reserved account for operating capital in the school  
127.22 district's general fund. Any balance in other reserved accounts established in the school  
127.23 district's general fund under Minnesota Statutes before July 1, 2006, for which no specific  
127.24 authority remains in statute as of June 30, 2007, shall be transferred to the school district's  
127.25 unreserved general fund balance. A school board may, upon adoption of a resolution by  
127.26 the school board, establish a designated account for any program for which a reserved  
127.27 account has been eliminated.

127.28 **EFFECTIVE DATE.** This section is effective June 30, 2007.

127.29 Sec. 7. Minnesota Statutes 2006, section 124D.111, subdivision 1, is amended to read:

127.30 Subdivision 1. **School lunch aid computation.** Each school year, the state must pay  
127.31 participants in the national school lunch program the amount of ~~10.5~~ 12 cents for each full  
127.32 paid, reduced, and free student lunch served to students.

128.1 Sec. 8. Minnesota Statutes 2006, section 126C.15, subdivision 2, is amended to read:

128.2 Subd. 2. **Building allocation.** (a) A district must allocate its compensatory revenue  
128.3 to each school building in the district where the children who have generated the revenue  
128.4 are served unless the school district has received permission under section 50 to allocate  
128.5 compensatory revenue according to student performance measures developed by the  
128.6 school board.

128.7 (b) Notwithstanding paragraph (a), a district may allocate up to five percent of the  
128.8 amount of compensatory revenue that the district receives to school sites according to a  
128.9 plan adopted by the school board.

128.10 (c) For the purposes of this section and section 126C.05, subdivision 3, "building"  
128.11 means education site as defined in section 123B.04, subdivision 1.

128.12 (d) If the pupil is served at a site other than one owned and operated by the district,  
128.13 the revenue shall be paid to the district and used for services for pupils who generate the  
128.14 revenue.

128.15 (e) A district with school building openings, school building closings, changes  
128.16 in attendance area boundaries, or other changes in programs or student demographics  
128.17 between the prior year and the current year may reallocate compensatory revenue among  
128.18 sites to reflect these changes. A district must report to the department any adjustments it  
128.19 makes according to this paragraph and the department must use the adjusted compensatory  
128.20 revenue allocations in preparing the report required under section 123B.76, subdivision 3,  
128.21 paragraph (c).

128.22 Sec. 9. Minnesota Statutes 2006, section 126C.41, is amended by adding a subdivision  
128.23 to read:

128.24 Subd. 6. **Levy authority for unfunded severance and retirement costs.** (a) A  
128.25 school district qualifies for eligibility under this section if the district:

128.26 (1) participated in the cooperative secondary facilities program;

128.27 (2) consolidated with at least two other school districts; and

128.28 (3) has unfunded severance or retirement costs.

128.29 (b) An eligible school district may annually levy up to \$150,000 for unfunded  
128.30 severance or retirement costs. This levy authority expires after taxes payable in 2017.

128.31 (c) A school district that levies under this section must reserve the proceeds of the  
128.32 levy and spend those amounts only for unfunded severance or retirement costs.

128.33 **EFFECTIVE DATE.** This section is effective for taxes payable in 2008.

128.34 Sec. 10. Minnesota Statutes 2006, section 126C.48, subdivision 2, is amended to read:

129.1 Subd. 2. **Notice to commissioner; forms.** By October 7 of each year each  
129.2 district must notify the commissioner of the proposed levies in compliance with the levy  
129.3 limitations of this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A, and  
129.4 136D. A school district that has reached an agreement with its home county auditor to  
129.5 extend the date of certification of its proposed levy under section 275.065, subdivision 1,  
129.6 must submit its notice of proposed levies to the commissioner no later than October 10 of  
129.7 each year. By January 7 of each year each district must notify the commissioner of the  
129.8 final levies certified. The commissioner shall prescribe the form of these notifications and  
129.9 may request any additional information necessary to compute certified levy amounts.

129.10 **EFFECTIVE DATE.** This section is effective July 1, 2007.

129.11 Sec. 11. Minnesota Statutes 2006, section 205A.03, subdivision 1, is amended to read:

129.12 Subdivision 1. **Required Resolution requiring primary in certain circumstances.**  
129.13 ~~In~~ The school board of a school district election, may, by resolution adopted by June 1 of  
129.14 any year, decide to choose nominees for school board by a primary as provided in this  
129.15 section. The resolution, when adopted, is effective for all ensuing elections of board  
129.16 members in that school district until it is revoked. If the board decides to choose nominees  
129.17 by primary and if there are more than two candidates for a specified school board position  
129.18 or more than twice as many school board candidates as there are at-large school board  
129.19 positions available, a the school district must hold a primary.

129.20 **EFFECTIVE DATE.** This section is effective the day following final enactment  
129.21 and applies for school board elections held in 2007 and thereafter.

129.22 Sec. 12. Minnesota Statutes 2006, section 205A.06, subdivision 1a, is amended to read:

129.23 Subd. 1a. **Filing period.** In school districts that have adopted a resolution to choose  
129.24 nominees for school board by a primary election, affidavits of candidacy must be filed  
129.25 with the school district clerk no earlier than the 70th day and no later than the 56th day  
129.26 before the first Tuesday after the second Monday in September in the year when the  
129.27 school district general election is held. In all other school districts, affidavits of candidacy  
129.28 must be filed no earlier than the 70th day and no later than the 56th day before the school  
129.29 district general election.

129.30 **EFFECTIVE DATE.** This section is effective the day following final enactment  
129.31 and applies for school board elections held in 2007 and thereafter.

129.32 Sec. 13. Minnesota Statutes 2006, section 275.065, subdivision 1, is amended to read:

130.1 Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the  
130.2 contrary, on or before September 15, each taxing authority, other than a school district,  
130.3 shall adopt a proposed budget and shall certify to the county auditor the proposed or, in  
130.4 the case of a town, the final property tax levy for taxes payable in the following year.

130.5 (b) On or before September 30, each school district that has not mutually agreed  
130.6 with its home county to extend this date shall certify to the county auditor the proposed  
130.7 property tax levy for taxes payable in the following year. Each school district that has  
130.8 agreed with its home county to delay the certification of its proposed property tax levy  
130.9 must certify its proposed property tax levy for the following year no later than October  
130.10 7. The school district shall certify the proposed levy as:

130.11 (1) a specific dollar amount by school district fund, broken down between  
130.12 voter-approved and non-voter-approved levies and between referendum market value  
130.13 and tax capacity levies; or

130.14 (2) the maximum levy limitation certified by the commissioner of education  
130.15 according to section 126C.48, subdivision 1.

130.16 (c) If the board of estimate and taxation or any similar board that establishes  
130.17 maximum tax levies for taxing jurisdictions within a first class city certifies the maximum  
130.18 property tax levies for funds under its jurisdiction by charter to the county auditor by  
130.19 September 15, the city shall be deemed to have certified its levies for those taxing  
130.20 jurisdictions.

130.21 (d) For purposes of this section, "taxing authority" includes all home rule and  
130.22 statutory cities, towns, counties, school districts, and special taxing districts as defined  
130.23 in section 275.066. Intermediate school districts that levy a tax under chapter 124 or  
130.24 136D, joint powers boards established under sections 123A.44 to 123A.446, and Common  
130.25 School Districts No. 323, Franconia, and No. 815, Prinsburg, are also special taxing  
130.26 districts for purposes of this section.

130.27 **EFFECTIVE DATE.** This section is effective July 1, 2007.

130.28 Sec. 14. Minnesota Statutes 2006, section 275.065, subdivision 1a, is amended to read:

130.29 Subd. 1a. **Overlapping jurisdictions.** In the case of a taxing authority lying in  
130.30 two or more counties, the home county auditor shall certify the proposed levy and the  
130.31 proposed local tax rate to the other county auditor by October 5, unless the home county  
130.32 has agreed to delay the certification of its proposed property tax levy, in which case the  
130.33 home county auditor shall certify the proposed levy and the proposed local tax rate to the  
130.34 other county auditor by October 10. The home county auditor must estimate the levy or  
130.35 rate in preparing the notices required in subdivision 3, if the other county has not certified

131.1 the appropriate information. If requested by the home county auditor, the other county  
131.2 auditor must furnish an estimate to the home county auditor.

131.3 **EFFECTIVE DATE.** This section is effective July 1, 2007.

131.4 Sec. 15. **DEPARTMENT OF EDUCATION REPORT.**

131.5 The Department of Education must provide a report to the education committees  
131.6 of the legislature by January 15, 2008. The report must analyze the department's data  
131.7 collection procedures under each of the department's major data reporting systems and  
131.8 recommend a streamlined, Web-based system of reporting school district data. The report  
131.9 must also analyze any stand-alone school district reporting requirements and recommend  
131.10 elimination of any district reports that are duplicative of other data already collected  
131.11 by the department.

131.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

131.13 Sec. 16. **PLAINVIEW-ELGIN-MILLVILLE; CONSOLIDATED DISTRICT**  
131.14 **FUND BALANCE CALCULATIONS.**

131.15 Subdivision 1. **Fiscal year 2007 replacement aid.** Independent School District  
131.16 No. 2899, Plainview-Elgin-Millville, is eligible for replacement aid to offset its excess  
131.17 fund balance penalty for fiscal year 2007.

131.18 Subd. 2. **Fiscal years 2008 and 2009.** Upon receipt of appropriate documentation  
131.19 from Independent School District No. 2899, Plainview-Elgin-Millville, the Department of  
131.20 Education must adjust the district's three-year adjusted average fund balances required  
131.21 under Minnesota Statutes, sections 124D.135, 124D.16 and 124D.20. The department  
131.22 shall adjust the fiscal year 2006 account balances reported by former Independent School  
131.23 Districts Nos. 806, Elgin-Millville, and 810, Plainview, to reflect any permanent account  
131.24 of fund transfers made under Minnesota Statutes, section 123B.79.

131.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

131.26 Sec. 17. **FUND TRANSFERS.**

131.27 Subdivision 1. **Brainerd.** Notwithstanding Minnesota Statutes, section 123B.79  
131.28 or 123B.80, Independent School District No. 181, Brainerd, on June 30, 2007, may  
131.29 permanently transfer up to \$750,000 from the reserved for operating capital account to its  
131.30 undesignated balance in its general fund.

131.31 Subd. 2. **Campbell-Tintah.** Notwithstanding Minnesota Statutes, section 123B.79  
131.32 or 123B.80, on June 30, 2007, Independent School District No. 852, Campbell-Tintah,

132.1 may permanently transfer up to \$100,000 from its reserved for operating capital account  
 132.2 to the undesignated balance in its general fund.

132.3 Subd. 3. **Jackson County Central.** Notwithstanding Minnesota Statutes, section  
 132.4 123B.79 or 123B.80, on June 30, 2007, Independent School District No. 2895, Jackson  
 132.5 County Central, may permanently transfer up to \$300,000 from its reserved for operating  
 132.6 capital account to the undesignated balance in its general fund.

132.7 **Sec. 18. APPROPRIATIONS.**

132.8 Subdivision 1. **Department of Education.** The sums indicated in this section are  
 132.9 appropriated from the general fund to the Department of Education for the fiscal years  
 132.10 designated.

132.11 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,  
 132.12 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

132.13 \$ 12,022,000 ..... 2008  
 132.14 \$ 12,166,000 ..... 2009

132.15 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
 132.16 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
 132.17 124D.118:

132.18 \$ 5,460,000 ..... 2008  
 132.19 \$ 5,695,000 ..... 2009

132.20 Subd. 4. **Summer food service replacement aid.** For summer food service  
 132.21 replacement aid under Minnesota Statutes, section 124D.119:

132.22 \$ 150,000 ..... 2008  
 132.23 \$ 150,000 ..... 2009

132.24 Subd. 5. **Plainview-Elgin-Millville fund balance replacement aid.**  
 132.25 For fund balance replacement aid for Independent School District No. 2899,  
 132.26 Plainview-Elgin-Millville:

132.27 \$ 17,000 ..... 2008

132.28 This is a onetime appropriation.

132.29 **Sec. 19. REVISOR'S INSTRUCTION.**

133.1 In Minnesota Statutes, the revisor of statutes shall renumber Minnesota Statutes,  
133.2 section 123B.10, subdivision 1, as 123B.10, subdivision 1b, and make necessary  
133.3 cross-reference changes consistent with the renumbering.

133.4 **ARTICLE 6**  
133.5 **LIBRARIES**

133.6 Section 1. Minnesota Statutes 2006, section 134.31, is amended by adding a  
133.7 subdivision to read:

133.8 Subd. 4a. **Services to the blind and physically handicapped.** The Minnesota  
133.9 Department of Education shall provide specialized services to the blind and physically  
133.10 handicapped through the Minnesota Library for the Blind and Physically Handicapped  
133.11 under a cooperative plan with the National Library Services for the Blind and Physically  
133.12 Handicapped of the Library of Congress.

133.13 Sec. 2. Minnesota Statutes 2006, section 134.34, subdivision 4, is amended to read:

133.14 Subd. 4. **Limitation.** A regional library basic system support grant shall not be  
133.15 made to a regional public library system for a participating city or county which decreases  
133.16 the dollar amount provided for support for operating purposes of public library service  
133.17 below the amount provided by it for the second preceding year. For purposes of this  
133.18 subdivision and subdivision 1, any funds provided under section 473.757, subdivision 2,  
133.19 for extending library hours of operation shall not be considered amounts provided by a city  
133.20 or county for support for operating purposes of public library service. This subdivision  
133.21 shall not apply to participating cities or counties where the adjusted net tax capacity of  
133.22 that city or county has decreased, if the dollar amount of the reduction in support is not  
133.23 greater than the dollar amount by which support would be decreased if the reduction in  
133.24 support were made in direct proportion to the decrease in adjusted net tax capacity.

133.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

133.26 Sec. 3. **DEPARTMENT OF EDUCATION; LIBRARY APPROPRIATIONS.**

133.27 Subdivision 1. **Department of Education.** The sums indicated in this section are  
133.28 appropriated from the general fund to the Department of Education for the fiscal years  
133.29 designated.

133.30 Subd. 2. **Basic system support.** For basic system support grants under Minnesota  
133.31 Statutes, section 134.355:

134.1           \$       9,182,000   ..... 2008

134.2           \$       13,138,000   ..... 2009

134.3           The 2008 appropriation includes \$857,000 for 2007 and \$8,325,000 for 2008.

134.4           The 2009 appropriation includes \$925,000 for 2008 and \$12,213,000 for 2009.

134.5           Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota  
 134.6 Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

134.7           \$       1,260,000   ..... 2008

134.8           \$       1,300,000   ..... 2009

134.9           The 2008 appropriation includes \$90,000 for 2007 and \$1,170,000 for 2008.

134.10          The 2009 appropriation includes \$130,000 for 2008 and \$1,170,000 for 2009.

134.11          Subd. 4. **Electronic library for Minnesota.** For statewide licenses to online  
 134.12 databases selected in cooperation with the Minnesota Office of Higher Education for  
 134.13 school media centers, public libraries, state government agency libraries, and public  
 134.14 or private college or university libraries:

134.15          \$       900,000   ..... 2008

134.16          \$       900,000   ..... 2009

134.17          Any balance in the first year does not cancel but is available in the second year.

134.18          Subd. 5. **Regional library telecommunications aid.** For regional library  
 134.19 telecommunications aid under Minnesota Statutes, section 134.355:

134.20          \$       2,190,000   ..... 2008

134.21          \$       2,300,000   ..... 2009

134.22          The 2008 appropriation includes \$120,000 for 2007 and \$2,070,000 for 2008.

134.23          The 2009 appropriation includes \$230,000 for 2008 and \$2,070,000 for 2009.

134.24          Subd. 6. **Hennepin County and Minneapolis library systems merger.** For costs  
 134.25 attributable to the library system merger:

134.26          \$       4,500,000   ..... 2008

134.27          If the Hennepin County and Minneapolis city library systems do not merge, any  
 134.28 unexpended balance remaining in this appropriation must be allocated to increase the  
 134.29 fiscal year 2008 entitlement for Basic System Support Grants under Minnesota Statutes,  
 134.30 section 134.355. This appropriation is available through June 30, 2009. This is a onetime  
 134.31 appropriation.

## ARTICLE 7

## STATE AGENCIES

Section 1. [124D.805] COMMITTEES ON AMERICAN INDIAN EDUCATION PROGRAMS.

Subdivision 1. **Establishment.** The commissioner of education shall create one or more American Indian education committees. Members must include representatives of tribal bodies, community groups, parents of children eligible to be served by the programs for American Indian children in American Indian schools, American Indian administrators and teachers, persons experienced in training teachers for American Indian education programs, persons involved in programs for American Indian children in American Indian schools, and persons knowledgeable about American Indian education. The commissioner of education shall appoint members who are representative of significant segments of the American Indian population.

Subd. 2. **Committee to advise commissioner.** Each committee on American Indian education programs shall advise the commissioner regarding the commissioner's duties under sections 124D.71 to 124D.82 and other programs for educating American Indian people as determined by the commissioner.

Subd. 3. **Expenses.** Each committee must be reimbursed for expenses under section 15.059, subdivision 6. The commissioner must determine the membership terms and the duration of each committee, which must expire no later than June 30, 2020.

Sec. 2. Minnesota Statutes 2006, section 517.08, subdivision 1c, is amended to read:

**Subd. 1c. **Disposition of license fee.**** (a) Of the marriage license fee collected pursuant to subdivision 1b, paragraph (a), \$15 must be retained by the county. The local registrar must pay \$85 to the commissioner of finance to be deposited as follows:

(1) \$50 in the general fund;

(2) \$3 in the state government special revenue fund to be appropriated to the commissioner of ~~education~~ public safety for parenting time centers under section 119A.37;

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255;

(4) \$25 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96; and

136.1 (5) \$5 in the special revenue fund is appropriated to the commissioner of human  
 136.2 services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under  
 136.3 section 256.742.

136.4 (b) Of the \$30 fee under subdivision 1b, paragraph (b), \$15 must be retained by the  
 136.5 county. The local registrar must pay \$15 to the commissioner of finance to be deposited  
 136.6 as follows:

136.7 (1) \$5 as provided in paragraph (a), clauses (2) and (3); and

136.8 (2) \$10 in the special revenue fund is appropriated to the commissioner of  
 136.9 employment and economic development for the displaced homemaker program under  
 136.10 section 116L.96.

136.11 (c) The increase in the marriage license fee under paragraph (a) provided for in Laws  
 136.12 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the  
 136.13 Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a),  
 136.14 clause (5), is contingent upon the receipt of federal funding under United States Code, title  
 136.15 42, section 1315, for purposes of the initiative.

136.16 Sec. 3. **RULEMAKING AUTHORITY; CAREER AND TECHNICAL**  
 136.17 **EDUCATION.**

136.18 The commissioner of education shall adopt rules under Minnesota Statutes, chapter  
 136.19 14, for the administration of career and technical education programs for grades 7 through  
 136.20 12 under Minnesota Statutes, sections 124D.452, 124D.4531, and 124D.454, to ensure  
 136.21 that the career and technical levy and programs can be administered to serve students  
 136.22 under the current state and local organizational structures.

136.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

136.24 Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

136.25 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums  
 136.26 indicated in this section are appropriated from the general fund to the Department of  
 136.27 Education for the fiscal years designated.

136.28 Subd. 2. **Department.** (a) For the Department of Education:

136.29 \$ 22,003,000 .... 2008

136.30 \$ 22,309,000 .... 2009

136.31 Any balance in the first year does not cancel but is available in the second year.

136.32 (b) \$260,000 each year is for the Minnesota Children's Museum.

136.33 (c) \$41,000 each year is for the Minnesota Academy of Science.

137.1 (d) \$614,000 in fiscal year 2008 and \$622,000 in fiscal year 2009 are for the Board  
 137.2 of Teaching.

137.3 (e) \$162,000 in fiscal year 2008 and \$165,000 in fiscal year 2009 are for the Board  
 137.4 of School Administrators.

137.5 (f) \$7,000 in fiscal year 2008 is for GRAD test rulemaking.

137.6 (g) \$7,000 in fiscal year 2008 is for rulemaking under section 3.

137.7 (h) \$7,000 in fiscal year 2008 is for rulemaking for health and physical education  
 137.8 standards.

137.9 (i) \$40,000 each year is for an early hearing loss intervention coordinator under  
 137.10 Minnesota Statutes, section 125A.63, subdivision 5.

137.11 (j) The expenditures of federal grants and aids as shown in the biennial budget  
 137.12 document and its supplements are approved and appropriated and shall be spent as  
 137.13 indicated.

137.14 (k) \$260,000 per year is for the Minnesota Children's Museum.

137.15 (l) \$41,000 per year is for the Academy of Science.

137.16 **Sec. 5. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

137.17 The sums indicated in this section are appropriated from the general fund to the  
 137.18 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

137.19 \$ 11,504,000 ..... 2008

137.20 \$ 11,527,000 ..... 2009

137.21 Any balance in the first year does not cancel but is available in the second year.

137.22 **Sec. 6. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

137.23 The sums indicated in this section are appropriated from the general fund to the  
 137.24 Perpich Center for Arts Education for the fiscal years designated:

137.25 \$ 6,727,000 ..... 2008

137.26 \$ 6,833,000 ..... 2009

137.27 Any balance in the first year does not cancel but is available in the second year.

137.28 **Sec. 7. APPROPRIATIONS; DEPARTMENT OF PUBLIC SAFETY.**

137.29 The sums indicated in this section are appropriated from the state government  
 137.30 special revenue fund to the Department of Public Safety for the fiscal years designated to  
 137.31 fund parenting time centers as described in Minnesota Statutes, section 119A.37:

137.32 \$ 96,000 ..... 2008

137.33 \$ 96,000 ..... 2009

ARTICLE 8

EDUCATION FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

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Section 1. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 2, as amended by Laws 2006, chapter 282, article 3, section 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$ 5,819,153,000 ..... 2006

~~5,472,238,000~~

\$ 5,453,693,000 ..... 2007

The 2006 appropriation includes \$787,978,000 for 2005 and \$5,031,175,000 for 2006.

The 2007 appropriation includes ~~\$513,848,000~~ \$518,218,000 for 2006 and ~~\$4,958,390,000~~ \$4,935,475,000 for 2007.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 4, is amended to read:

Subd. 4. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

\$ 55,000 ..... 2006

~~55,000~~

\$ 93,000 ..... 2007

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 5, as amended by Laws 2006, chapter 282, article 7, section 2, is amended to read:

Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section 127A.49:

\$ 909,000 ..... 2006

~~1,026,000~~

\$ 765,000 ..... 2007

The 2006 appropriation includes \$187,000 for 2005 and \$722,000 for 2006.

The 2007 appropriation includes \$80,000 for 2006 and ~~\$946,000~~ \$685,000 for 2007.

139.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

139.2 Sec. 4. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 6,  
 139.3 as amended by Laws 2006, chapter 282, article 7, section 3, is amended to read:

139.4 Subd. 6. **Consolidation transition.** For districts consolidating under Minnesota Statutes,  
 139.5 section 123A.485:

139.6 ~~527,000~~  
 139.7 \$ 388,000 ..... 2007

139.8 The 2007 appropriation includes \$0 for 2006 and ~~\$527,000~~ \$388,000 for 2007.

139.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

139.10 Sec. 5. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 7,  
 139.11 as amended by Laws 2006, chapter 282, article 7, section 4, is amended to read:

139.12 Subd. 7. **Nonpublic pupil education aid.** For nonpublic pupil education aid under  
 139.13 Minnesota Statutes, sections 123B.87 and 123B.40 to 123B.43:

139.14 \$ 15,458,000 ..... 2006  
 139.15 ~~15,991,000~~  
 139.16 \$ 15,972,000 ..... 2007

139.17 The 2006 appropriation includes \$1,864,000 for 2005 and \$13,594,000 for 2006.

139.18 The 2007 appropriation includes \$1,510,000 for 2006 and ~~\$14,481,000~~ \$14,462,000  
 139.19 for 2007.

139.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

139.21 Sec. 6. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 8,  
 139.22 as amended by Laws 2006, chapter 282, article 7, section 5, is amended to read:

139.23 Subd. 8. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under  
 139.24 Minnesota Statutes, section 123B.92, subdivision 9:

139.25 \$ 21,371,000 ..... 2006  
 139.26 ~~20,843,000~~  
 139.27 \$ 21,133,000 ..... 2007

139.28 The 2006 appropriation includes \$3,274,000 for 2005 and \$18,097,000 for 2006.

139.29 The 2007 appropriation includes \$2,010,000 for 2006 and ~~\$18,833,000~~ \$19,123,000  
 139.30 for 2007.

139.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

139.32 **B. EDUCATION EXCELLENCE**

140.1 Sec. 7. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 2,  
 140.2 as amended by Laws 2006, chapter 282, article 7, section 6, is amended to read:

140.3 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota  
 140.4 Statutes, section 124D.11, subdivision 4:

140.5	\$ 25,331,000	.....	2006
140.6	<del>27,806,000</del>		
140.7	\$ <u>27,795,000</u>	.....	2007

140.8 The 2006 appropriation includes \$3,173,000 for 2005 and \$22,158,000 for 2006.

140.9 The 2007 appropriation includes \$2,462,000 for 2006 and ~~\$25,344,000~~ \$25,333,000  
 140.10 for 2007.

140.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

140.12 Sec. 8. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 3,  
 140.13 as amended by Laws 2006, chapter 282, article 7, section 7, is amended to read:

140.14 Subd. 3. **Charter school startup aid.** For charter school startup cost aid under Minnesota  
 140.15 Statutes, section 124D.11:

140.16	\$ 1,291,000	.....	2006
140.17	<del>2,347,000</del>		
140.18	\$ <u>2,316,000</u>	.....	2007

140.19 The 2006 appropriation includes \$0 for 2005 and \$1,291,000 for 2006.

140.20 The 2007 appropriation includes \$143,000 for 2006 and ~~\$2,204,000~~ \$2,173,000  
 140.21 for 2007.

140.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

140.23 Sec. 9. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 4,  
 140.24 as amended by Laws 2006, chapter 282, article 7, section 8, is amended to read:

140.25 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86,  
 140.26 subdivision 5:

140.27	\$ 59,404,000	.....	2006
140.28	<del>58,405,000</del>		
140.29	\$ <u>58,075,000</u>	.....	2007

140.30 The 2006 appropriation includes \$8,545,000 for 2005 and \$50,859,000 for 2006.

140.31 The 2007 appropriation includes \$5,650,000 for 2006 and ~~\$52,755,000~~ \$52,425,000  
 140.32 for 2007.

140.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

141.1 Sec. 10. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
 141.2 6, as amended by Laws 2006, chapter 282, article 7, section 9, is amended to read:  
 141.3 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
 141.4 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 141.5 section 124D.87:

141.6	\$ 6,032,000	.....	2006
141.7	<del>10,134,000</del>		
141.8	\$ <u>8,169,000</u>	.....	2007

141.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

141.10 Sec. 11. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
 141.11 10, as amended by Laws 2006, chapter 282, article 7, section 11, is amended to read:  
 141.12 Subd. 10. **Tribal contract schools.** For tribal contract school aid under Minnesota  
 141.13 Statutes, section 124D.83:

141.14	\$ 2,338,000	.....	2006
141.15	<del>2,357,000</del>		
141.16	\$ <u>2,060,000</u>	.....	2007

141.17 The 2006 appropriation includes \$348,000 for 2005 and \$1,990,000 for 2006.

141.18 The 2007 appropriation includes \$221,000 for 2006 and ~~\$2,136,000~~ \$1,839,000  
 141.19 for 2007.

141.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

141.21 **C. SPECIAL PROGRAMS**

141.22 Sec. 12. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
 141.23 2, as amended by Laws 2006, chapter 282, article 7, section 12, is amended to read:  
 141.24 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,  
 141.25 section 125A.75:

141.26	\$ 559,485,000	.....	2006
141.27	<del>528,106,000</del>		
141.28	\$ <u>529,257,000</u>	.....	2007

141.29 The 2006 appropriation includes \$83,078,000 for 2005 and \$476,407,000 for 2006.

141.30 The 2007 appropriation includes \$52,934,000 for 2006 and ~~\$475,172,000~~  
 141.31 \$476,323,000 for 2007.

141.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

142.1 Sec. 13. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
 142.2 3, as amended by Laws 2006, chapter 282, article 7, section 13, is amended to read:

142.3 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section  
 142.4 125A.75, subdivision 3, for children with disabilities placed in residential facilities within  
 142.5 the district boundaries for whom no district of residence can be determined:

142.6 \$ 1,527,000 ..... 2006

142.7 ~~1,624,000~~

142.8 \$ 1,410,000 ..... 2007

142.9 If the appropriation for either year is insufficient, the appropriation for the other  
 142.10 year is available.

142.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

142.12 Sec. 14. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
 142.13 4, as amended by Laws 2006, chapter 282, article 7, section 14, is amended to read:

142.14 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based  
 142.15 services under Minnesota Statutes, section 125A.75, subdivision 1:

142.16 \$ 198,000 ..... 2006

142.17 ~~195,000~~

142.18 \$ 224,000 ..... 2007

142.19 The 2006 appropriation includes \$28,000 for 2005 and \$170,000 for 2006.

142.20 The 2007 appropriation includes \$18,000 for 2006 and ~~\$177,000~~ \$206,000 for 2007.

142.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

142.22 Sec. 15. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
 142.23 6, as amended by Laws 2006, chapter 282, article 7, section 16, is amended to read:

142.24 Subd. 6. **Transition for disabled students.** For aid for transition programs for children  
 142.25 with disabilities under Minnesota Statutes, section 124D.454:

142.26 \$ 9,300,000 ..... 2006

142.27 ~~8,781,000~~

142.28 \$ 8,800,000 ..... 2007

142.29 The 2006 appropriation includes \$1,380,000 for 2005 and \$7,920,000 for 2006.

142.30 The 2007 appropriation includes \$880,000 for 2006 and ~~\$7,901,000~~ \$7,920,000  
 142.31 for 2007.

142.32 **EFFECTIVE DATE.** This section is effective the day following final enactment.

142.33 **D. FACILITIES**

143.1 Sec. 16. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
 143.2 2, as amended by Laws 2006, chapter 282, article 7, section 18, is amended to read:

143.3 Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota  
 143.4 Statutes, section 123B.57, subdivision 5:

143.5 \$ 823,000 ..... 2006

143.6 ~~352,000~~

143.7 \$ 249,000 ..... 2007

143.8 The 2006 appropriation includes \$211,000 for 2005 and \$612,000 for 2006.

143.9 The 2007 appropriation includes \$68,000 for 2006 and ~~\$284,000~~ \$181,000 for 2007.

143.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.11 Sec. 17. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
 143.12 3, as amended by Laws 2006, chapter 282, article 5, section 2, is amended to read:

143.13 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes,  
 143.14 section 123B.53, subdivision 6:

143.15 \$ 27,206,000 ..... 2006

143.16 ~~18,410,000~~

143.17 \$ 18,395,000 ..... 2007

143.18 The 2006 appropriation includes \$4,654,000 for 2005 and \$22,552,000 for 2006.

143.19 The 2007 appropriation includes \$2,504,000 for 2006 and ~~\$15,906,000~~ 15,891,000  
 143.20 for 2007.

143.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.22 **E. NUTRITION**

143.23 Sec. 18. Laws 2005, First Special Session chapter 5, article 5, section 17, subdivision  
 143.24 3, as amended by Laws 2006, chapter 282, article 7, section 20, is amended to read:

143.25 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
 143.26 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
 143.27 124D.118:

143.28 \$ 4,856,000 ..... 2006

143.29 ~~5,044,000~~

143.30 \$ 5,175,000 ..... 2007

143.31 **EFFECTIVE DATE.** This section is effective the day following final enactment.

143.32 **F. EARLY CHILDHOOD EDUCATION**

144.1 Sec. 19. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
 144.2 2, as amended by Laws 2006, chapter 282, article 7, section 24, is amended to read:

144.3 Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota  
 144.4 Statutes, sections 124D.15 and 124D.16:

144.5 \$ 9,528,000 ..... 2006

144.6 ~~9,020,000~~

144.7 \$ 9,087,000 ..... 2007

144.8 The 2006 appropriation includes \$1,415,000 for 2005 and \$8,113,000 for 2006.

144.9 The 2007 appropriation includes \$901,000 for 2006 and ~~\$8,119,000~~ \$8,186,000  
 144.10 for 2007.

144.11 **EFFECTIVE DATE.** This section is effective the day following final enactment.

144.12 Sec. 20. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
 144.13 3, as amended by Laws 2006, chapter 282, article 2, section 24, is amended to read:

144.14 Subd. 3. **Early childhood family education aid.** For early childhood family education  
 144.15 aid under Minnesota Statutes, section 124D.135:

144.16 \$ 15,105,000 ..... 2006

144.17 ~~17,792,000~~

144.18 \$ 17,639,000 ..... 2007

144.19 The 2006 appropriation includes \$1,859,000 for 2005 and \$13,246,000 for 2006.

144.20 The 2007 appropriation includes \$1,471,000 for 2006 and ~~\$16,321,000~~ \$16,168,000  
 144.21 for 2007.

144.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

144.23 Sec. 21. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
 144.24 4, as amended by Laws 2006, chapter 282, article 2, section 25, is amended to read:

144.25 Subd. 4. **Health and developmental screening aid.** For health and developmental  
 144.26 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

144.27 \$ 3,000,000 ..... 2006

144.28 ~~2,997,000~~

144.29 \$ 2,880,000 ..... 2007

144.30 The 2006 appropriation includes \$417,000 for 2005 and \$2,583,000 for 2006

144.31 The 2007 appropriation includes \$287,000 for 2006 and ~~\$2,710,000~~ \$2,593,000  
 144.32 for 2007.

144.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.1 Sec. 22. Laws 2006, chapter 282, article 2, section 28, subdivision 4, is amended to  
 145.2 read:

145.3 Subd. 4. **Early childhood Part C.** For the expansion of early childhood Part C  
 145.4 services:

145.5 ~~400,000~~  
 145.6 \$ -0- ..... 2007

145.7 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.8 **G. PREVENTION**

145.9 Sec. 23. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 2,  
 145.10 as amended by Laws 2006, chapter 282, article 7, section 25, is amended to read:

145.11 Subd. 2. **Community education aid.** For community education aid under Minnesota  
 145.12 Statutes, section 124D.20:

145.13 \$ 2,043,000 ..... 2006  
 145.14 ~~1,949,000~~  
 145.15 \$ 1,942,000 ..... 2007

145.16 The 2006 appropriation includes \$385,000 for 2005 and \$1,658,000 for 2006.

145.17 The 2007 appropriation includes \$184,000 for 2006 and ~~\$1,765,000~~ \$1,758,000  
 145.18 for 2007.

145.19 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.20 Sec. 24. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 5,  
 145.21 as amended by Laws 2006, chapter 282, article 7, section 27, is amended to read:

145.22 Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes,  
 145.23 section 124D.22:

145.24 \$ 17,000 ..... 2006  
 145.25 ~~4,000~~  
 145.26 \$ 6,000 ..... 2007

145.27 The 2006 appropriation includes \$4,000 for 2005 and \$13,000 for 2006.

145.28 The 2007 appropriation includes \$1,000 for 2006 and ~~\$3,000~~ \$5,000 for 2007.

145.29 **EFFECTIVE DATE.** This section is effective the day following final enactment.

145.30 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

145.31 Sec. 25. Laws 2005, First Special Session chapter 5, article 9, section 4, subdivision 2,  
 145.32 is amended to read:

146.1 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
 146.2 Statutes:

146.3 \$ 36,518,000 ..... 2006

146.4 ~~36,540,000~~

146.5 \$ 37,486,000 ..... 2007

146.6 The 2006 appropriation includes \$5,707,000 for 2005 and \$30,811,000 for 2006.

146.7 The 2007 appropriation includes ~~\$5,737,000~~ \$3,654,000 for 2006 and ~~\$30,803,000~~

146.8 \$33,832,000 for 2007.

146.9 **EFFECTIVE DATE.** This section is effective the day following final enactment.

146.10 **ARTICLE 9**

146.11 **TECHNICAL AND CONFORMING AMENDMENTS**

146.12 Section 1. Minnesota Statutes 2006, section 122A.628, subdivision 2, is amended to  
 146.13 read:

146.14 Subd. 2. **Revenue.** A school district that is selected to participate in the schools  
 146.15 mentoring schools program under this section may utilize its professional compensation  
 146.16 revenue under section ~~122A.414~~ 122A.414, subdivision 4, to pay regional training sites  
 146.17 for staff development and training services.

146.18 Sec. 2. Minnesota Statutes 2006, section 123A.73, subdivision 8, is amended to read:

146.19 Subd. 8. **Taxable property.** As of the effective date of a consolidation of districts or  
 146.20 the dissolution of a district and its attachment to one or more existing districts pursuant  
 146.21 to chapter 123A, ~~and subject to the conditions of section 126C.42, subdivision 1,~~ all  
 146.22 the taxable property which is in the newly created or enlarged district and which was  
 146.23 previously taxable for the payment of any statutory operating debt theretofore incurred by  
 146.24 any preexisting district of which the taxable property was a part prior to the consolidation  
 146.25 or dissolution and attachment shall remain taxable for the payment of that debt and shall  
 146.26 not become taxable for the payment of any statutory operating debt theretofore incurred  
 146.27 by any preexisting district of which the taxable property was not a part prior to the  
 146.28 consolidation or dissolution and attachment. The amount of statutory operating debt  
 146.29 attributable to that taxable property and to the newly created or enlarged district in which  
 146.30 it is located, and the amount of a preexisting district's reserved fund balance reserve  
 146.31 account for purposes of statutory operating debt reduction attributable to the newly created  
 146.32 or enlarged district, shall be apportioned according to the proportion which the adjusted  
 146.33 net tax capacity of that part of the preexisting district bears to the total adjusted net tax  
 146.34 capacity of the entire preexisting district at the time of the consolidation or dissolution

147.1 and attachment. This apportionment shall be made by the county auditor and shall  
147.2 be incorporated as an annex to the order of the commissioner dividing the assets and  
147.3 liabilities of the component districts. As used in this section, "statutory operating debt"  
147.4 shall have the meaning given it in section 123B.81.

147.5 Sec. 3. Minnesota Statutes 2006, section 123B.79, subdivision 6, is amended to read:

147.6 Subd. 6. **Account transfer for statutory operating debt.** On June 30 of each year,  
147.7 a district may make a permanent transfer from the general fund account entitled "net  
147.8 unreserved general fund balance since statutory operating debt" to the account entitled  
147.9 "reserved fund balance reserve account for purposes of statutory operating debt reduction."  
147.10 The amount of the transfer is limited to ~~the lesser of (a) the net unreserved general fund~~  
147.11 ~~balance, or (b) the sum of the remaining statutory operating debt levies authorized for all~~  
147.12 ~~future years according to section 126C.42, subdivision 1.~~ If the net unreserved general  
147.13 fund balance is less than zero, the district may not make a transfer.

147.14 Sec. 4. Minnesota Statutes 2006, section 123B.81, subdivision 2, is amended to read:

147.15 Subd. 2. **Statutory operating debt.** If the amount of the operating debt is more  
147.16 than 2-1/2 percent of the most recent fiscal year's expenditure amount for the funds  
147.17 considered under subdivision 1, the net negative undesignated fund balance is defined as  
147.18 "statutory operating debt" for the purposes of this section and ~~sections~~ section 123B.83  
147.19 ~~and 126C.42, subdivision 1.~~

147.20 Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 4, is amended to read:

147.21 Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted  
147.22 pursuant to subdivision 3 determines that a statutory operating debt exists, a district must  
147.23 follow the procedures set forth in this ~~section 126C.42, subdivision 1,~~ to eliminate this  
147.24 statutory operating debt.

147.25 Sec. 6. Minnesota Statutes 2006, section 123B.81, subdivision 7, is amended to read:

147.26 Subd. 7. **Applicability.** This section ~~and the provisions of section 126C.42,~~  
147.27 ~~subdivision 1, are~~ is applicable only to common, independent, and special school districts  
147.28 and districts formed pursuant to Laws 1967, chapter 822, as amended, and Laws 1969,  
147.29 chapters 775 and 1060, as amended. This section ~~and the provisions of section 126C.42,~~  
147.30 ~~subdivision 1, do~~ does not apply to Independent School District No. 625.

147.31 Sec. 7. Minnesota Statutes 2006, section 123B.83, subdivision 2, is amended to read:

148.1 Subd. 2. **Net unreserved general fund balances.** A school district must limit its  
148.2 expenditures so that its net unreserved general fund balance does not constitute statutory  
148.3 operating debt ~~as defined in section 126C.42~~ under section 123B.81.

148.4 Sec. 8. Minnesota Statutes 2006, section 124D.34, subdivision 7, is amended to read:

148.5 Subd. 7. **Foundation staff.** The commissioner of education shall appoint the  
148.6 executive director of the foundation from three candidates nominated and submitted by the  
148.7 foundation board of directors and, as necessary, other staff who shall perform duties and  
148.8 have responsibilities solely related to the foundation. The employees appointed are not  
148.9 state employees under chapter 43A, but are covered under section 3.736. The employees  
148.10 may participate in the state health and state insurance plans for employees in unclassified  
148.11 service. The employees shall be supervised by the executive director.

148.12 The commissioner shall appoint ~~from the Office of Lifework Development~~ a liaison  
148.13 to the foundation board from the division in the department responsible for career and  
148.14 technical education.

148.15 Sec. 9. Minnesota Statutes 2006, section 124D.65, subdivision 11, is amended to read:

148.16 Subd. 11. **Allocations from cooperative units.** For the purposes of this section  
148.17 ~~and section 125A.77~~, pupils of limited English proficiency enrolled in a cooperative  
148.18 or intermediate school district unit shall be counted by the school district of residence,  
148.19 and the cooperative unit shall allocate its approved expenditures for limited English  
148.20 proficiency programs among participating school districts. Limited English proficiency  
148.21 aid for services provided by a cooperative or intermediate school district shall be paid to  
148.22 the participating school districts.

148.23 Sec. 10. Minnesota Statutes 2006, section 125A.39, is amended to read:

148.24 **125A.39 LOCAL INTERAGENCY AGREEMENTS.**

148.25 School boards and the county board may enter into agreements to cooperatively  
148.26 serve and provide funding for children with disabilities, under age five, and their families  
148.27 within a specified geographic area.

148.28 The local interagency agreement must address, at a minimum, the following issues:

148.29 (1) responsibilities of local agencies on local interagency early intervention  
148.30 committees (IEIC's), consistent with section 125A.38;

148.31 (2) assignment of financial responsibility for early intervention services;

148.32 (3) methods to resolve intraagency and interagency disputes;

149.1 (4) identification of current resources and recommendations about the allocation of  
149.2 additional state and federal early intervention funds under the auspices of United States  
149.3 Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446) and United  
149.4 States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313);

149.5 (5) data collection; and

149.6 (6) other components of the local early intervention system consistent with Public  
149.7 Law 102-119.

149.8 Sec. 11. Minnesota Statutes 2006, section 125A.42, is amended to read:

149.9 **125A.42 PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS.**

149.10 (a) This section applies to local school and county boards for children from birth  
149.11 through age two who are eligible for Part H C, Public Law ~~102-119~~ 108-446, and their  
149.12 families. This section must be consistent with the Individuals with Disabilities Education  
149.13 Act, United States Code, title 20, sections 1471 to 1485 (Part H C, Public Law ~~102-119~~  
149.14 108-446), regulations adopted under United States Code, title 20, sections 1471 to 1485,  
149.15 and sections 125A.259 to 125A.48.

149.16 (b) A parent has the right to:

149.17 (1) inspect and review early intervention records;

149.18 (2) prior written notice of a proposed action in the parents' native language unless it  
149.19 is clearly not feasible to do so;

149.20 (3) give consent to any proposed action;

149.21 (4) selectively accept or decline any early intervention service; and

149.22 (5) resolve issues regarding the identification, evaluation, or placement of the child,  
149.23 or the provision of appropriate early intervention services to the child and the child's  
149.24 family through an impartial due process hearing pursuant to section 125A.46.

149.25 (c) The eligible child has the right to have a surrogate parent appointed by a school  
149.26 district as required by section 125A.07.

149.27 Sec. 12. Minnesota Statutes 2006, section 125A.44, is amended to read:

149.28 **125A.44 COMPLAINT PROCEDURE.**

149.29 (a) An individual or organization may file a written signed complaint with the  
149.30 commissioner of the state lead agency alleging that one or more requirements of the Code  
149.31 of Federal Regulations, title 34, part 303, is not being met. The complaint must include:

149.32 (1) a statement that the state has violated the Individuals with Disabilities Education  
149.33 Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~  
149.34 108-446) or Code of Federal Regulations, title 34, section 303; and

150.1 (2) the facts on which the complaint is based.

150.2 (b) The commissioner of the state lead agency shall receive and coordinate with  
150.3 other state agencies the review and resolution of a complaint within 60 calendar days  
150.4 according to the state interagency agreement required under section 125A.48. The  
150.5 development and disposition of corrective action orders for nonschool agencies shall be  
150.6 determined by the State Agency Committee (SAC). Failure to comply with corrective  
150.7 orders may result in fiscal actions or other measures.

150.8 Sec. 13. Minnesota Statutes 2006, section 125A.45, is amended to read:

150.9 **125A.45 INTERAGENCY DISPUTE PROCEDURE.**

150.10 (a) A dispute between a school board and a county board that is responsible for  
150.11 implementing the provisions of section 125A.29 regarding early identification, child and  
150.12 family assessment, service coordination, and IFSP development and implementation must  
150.13 be resolved according to this subdivision when the dispute involves services provided  
150.14 to children and families eligible under the Individuals with Disabilities Education Act,  
150.15 United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446).

150.16 (b) A dispute occurs when the school board and county board are unable to agree as  
150.17 to who is responsible to coordinate, provide, pay for, or facilitate payment for services  
150.18 from public and private sources.

150.19 (c) Written and signed disputes must be filed with the local primary agency.

150.20 (d) The local primary agency must attempt to resolve the matter with the involved  
150.21 school board and county board and may request mediation from the commissioner of the  
150.22 state lead agency for this purpose.

150.23 (e) When interagency disputes have not been resolved within 30 calendar days, the  
150.24 local primary agency must request the commissioner of the state lead agency to review  
150.25 the matter with the commissioners of health and human services and make a decision.  
150.26 The commissioner must provide a consistent process for reviewing those procedures. The  
150.27 commissioners' decision is binding subject to the right of an aggrieved party to appeal to  
150.28 the state Court of Appeals.

150.29 (f) The local primary agency must ensure that eligible children and their families  
150.30 receive early intervention services during resolution of a dispute. While a local dispute is  
150.31 pending, the local primary agency must either assign financial responsibility to an agency  
150.32 or pay for the service from the early intervention account under section 125A.35. If in  
150.33 resolving the dispute, it is determined that the assignment of financial responsibility was  
150.34 inappropriate, the responsibility for payment must be reassigned to the appropriate agency

151.1 and the responsible agency must make arrangements for reimbursing any expenditures  
151.2 incurred by the agency originally assigned financial responsibility.

151.3 Sec. 14. Minnesota Statutes 2006, section 125B.15, is amended to read:

151.4 **125B.15 INTERNET ACCESS FOR STUDENTS.**

151.5 (a) Recognizing the difference between school libraries, school computer labs, and  
151.6 school media centers, which serve unique educational purposes, and public libraries,  
151.7 which are designed for public inquiry, all computers at a school site with access to the  
151.8 Internet available for student use must be equipped to restrict, including by use of  
151.9 available software filtering technology or other effective methods, all student access  
151.10 to material that is reasonably believed to be obscene or child pornography or material  
151.11 harmful to minors under federal or state law.

151.12 (b) A school site is not required to purchase filtering technology if the school site  
151.13 would incur more than incidental expense in making the purchase.

151.14 (c) A school district receiving technology revenue under section ~~125B.25~~ 125B.26  
151.15 must prohibit, including through use of available software filtering technology or other  
151.16 effective methods, adult access to material that under federal or state law is reasonably  
151.17 believed to be obscene or child pornography.

151.18 (d) A school district, its agents or employees, are immune from liability for failure  
151.19 to comply with this section if they have made a good faith effort to comply with the  
151.20 requirements of this section.

151.21 (e) "School site" means an education site as defined in section 123B.04, subdivision  
151.22 1, or charter school under section 124D.10.

151.23 Sec. 15. Minnesota Statutes 2006, section 126C.01, subdivision 9, is amended to read:

151.24 Subd. 9. **Training and experience index.** "Training and experience index"  
151.25 means a measure of a district's teacher training and experience relative to the education  
151.26 and experience of teachers in the state. The measure must be determined pursuant to  
151.27 Minnesota Statutes 1996, section 126C.11.

151.28 Sec. 16. Minnesota Statutes 2006, section 126C.05, subdivision 1, is amended to read:

151.29 Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the  
151.30 age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph  
151.31 (c), in average daily membership enrolled in the district of residence, in another district  
151.32 under sections 123A.05 to 123A.08, 124D.03, 124D.06, ~~124D.07~~, 124D.08, or 124D.68;  
151.33 in a charter school under section 124D.10; or for whom the resident district pays tuition

152.1 under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88,  
152.2 subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be  
152.3 counted according to this subdivision.

152.4 (a) A prekindergarten pupil with a disability who is enrolled in a program approved  
152.5 by the commissioner and has an individual education plan is counted as the ratio of the  
152.6 number of hours of assessment and education service to 825 times 1.25 with a minimum  
152.7 average daily membership of 0.28, but not more than 1.25 pupil units.

152.8 (b) A prekindergarten pupil who is assessed but determined not to be disabled is  
152.9 counted as the ratio of the number of hours of assessment service to 825 times 1.25.

152.10 (c) A kindergarten pupil with a disability who is enrolled in a program approved  
152.11 by the commissioner is counted as the ratio of the number of hours of assessment and  
152.12 education services required in the fiscal year by the pupil's individual education program  
152.13 plan to 875, but not more than one.

152.14 (d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a  
152.15 pupil unit for fiscal year 2000 and thereafter.

152.16 (e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal  
152.17 year 2000 and thereafter.

152.18 (f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal  
152.19 year 1995 and thereafter.

152.20 (g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

152.21 (h) A pupil who is in the postsecondary enrollment options program is counted  
152.22 as 1.3 pupil units.

152.23 Sec. 17. Minnesota Statutes 2006, section 126C.48, subdivision 7, is amended to read:

152.24 Subd. 7. **Reporting.** For each tax settlement, the county auditor shall report  
152.25 to each school district by fund, the district tax settlement revenue defined in section  
152.26 123B.75, subdivision 5, paragraph (a), ~~and the amount levied pursuant to section 126C.42,~~  
152.27 ~~subdivision 1,~~ on the form specified in section 276.10. The county auditor shall send to  
152.28 the district a copy of the spread levy report specified in section 275.124.

152.29 Sec. 18. Minnesota Statutes 2006, section 134.355, subdivision 9, is amended to read:

152.30 Subd. 9. **Telecommunications aid.** An application for regional library  
152.31 telecommunications aid must, at a minimum, contain information to document the  
152.32 following:

153.1 (1) the connections are adequate and employ an open network architecture that  
153.2 will ensure interconnectivity and interoperability with school districts, postsecondary  
153.3 education, or other governmental agencies;

153.4 (2) that the connection is established through the most cost-effective means and that  
153.5 the regional library has explored and coordinated connections through school districts,  
153.6 postsecondary education, or other governmental agencies;

153.7 (3) that the regional library system has filed an e-rate application; and

153.8 (4) other information, as determined by the commissioner of ~~children, families, and~~  
153.9 ~~learning~~ education, to ensure that connections are coordinated, efficient, and cost-effective,  
153.10 take advantage of discounts, and meet applicable state standards.

153.11 The library system may include costs associated with cooperative arrangements with  
153.12 postsecondary institutions, school districts, and other governmental agencies.

153.13 Sec. 19. **REPEALER.**

153.14 Minnesota Statutes 2006, sections 123A.22, subdivision 11; and 123B.81,  
153.15 subdivision 8, are repealed.

## 153.16 ARTICLE 10

### 153.17 PUPIL TRANSPORTATION STANDARDS

153.18 Section 1. Minnesota Statutes 2006, section 123B.88, subdivision 12, is amended to  
153.19 read:

153.20 Subd. 12. **Early childhood family education participants.** Districts may provide  
153.21 bus transportation along ~~regular~~ school bus routes when space is available for participants  
153.22 in early childhood family education programs and school readiness programs if these  
153.23 services do not result in an increase in the district's expenditures for transportation.

153.24 The costs allocated to these services, as determined by generally accepted accounting  
153.25 principles, shall be considered part of the authorized cost for ~~regular~~ transportation for  
153.26 the purposes of section 123B.92.

153.27 **EFFECTIVE DATE.** This section is effective the day following final enactment  
153.28 and applies for fiscal year 2007 and later.

153.29 Sec. 2. Minnesota Statutes 2006, section 123B.90, subdivision 2, is amended to read:

153.30 Subd. 2. **Student training.** (a) Each district must provide public school pupils  
153.31 enrolled in kindergarten through grade 10 with age-appropriate school bus safety training,  
153.32 as described in this section, of the following concepts:

- 154.1 (1) transportation by school bus is a privilege and not a right;
- 154.2 (2) district policies for student conduct and school bus safety;
- 154.3 (3) appropriate conduct while on the school bus;
- 154.4 (4) the danger zones surrounding a school bus;
- 154.5 (5) procedures for safely boarding and leaving a school bus;
- 154.6 (6) procedures for safe street or road crossing; and
- 154.7 (7) school bus evacuation.

154.8 (b) Each nonpublic school located within the district must provide all nonpublic  
154.9 school pupils enrolled in kindergarten through grade 10 who are transported by school  
154.10 bus at public expense and attend school within the district's boundaries with training as  
154.11 required in paragraph (a).

154.12 (c) Students enrolled in kindergarten through grade 6 who are transported by school  
154.13 bus and are enrolled during the first or second week of school must receive the school bus  
154.14 safety training competencies by the end of the third week of school. Students enrolled in  
154.15 grades 7 through 10 who are transported by school bus and are enrolled during the first or  
154.16 second week of school and have not previously received school bus safety training must  
154.17 receive the training or receive bus safety instructional materials by the end of the sixth  
154.18 week of school. Students taking driver's training instructional classes ~~and other students in~~  
154.19 ~~grades 9 and 10~~ must receive training in the laws and proper procedures when operating a  
154.20 motor vehicle in the vicinity of a school bus as required by section 169.446, subdivisions 2  
154.21 and 3. Students enrolled in kindergarten through grade 10 who enroll in a school after the  
154.22 second week of school and are transported by school bus and have not received training  
154.23 in their previous school district shall undergo school bus safety training or receive bus  
154.24 safety instructional materials within four weeks of the first day of attendance. Upon  
154.25 request of the superintendent of schools, the school transportation safety director in each  
154.26 district must certify to the superintendent ~~of schools annually~~ that all students transported  
154.27 by school bus within the district have received the school bus safety training according to  
154.28 this section. Upon request of the superintendent of the school district where the nonpublic  
154.29 school is located, the principal or other chief administrator of each nonpublic school must  
154.30 certify ~~annually~~ to the school transportation safety director of the district in which the  
154.31 school is located that the school's students transported by school bus at public expense  
154.32 have received training according to this section.

154.33 (d) A district and a nonpublic school with students transported by school bus at  
154.34 public expense may provide kindergarten pupils with bus safety training before the first  
154.35 day of school.

155.1 (e) A district and a nonpublic school with students transported by school bus at  
155.2 public expense may also provide student safety education for bicycling and pedestrian  
155.3 safety, for students enrolled in kindergarten through grade 5.

155.4 (f) A district and a nonpublic school with students transported by school bus at  
155.5 public expense must make reasonable accommodations for the school bus safety training  
155.6 of pupils known to speak English as a second language and pupils with disabilities.

155.7 (g) The district and a nonpublic school with students transported by school bus at  
155.8 public expense must provide students enrolled in kindergarten through grade 3 school bus  
155.9 safety training twice during the school year.

155.10 (h) A district and a nonpublic school with students transported by school bus at public  
155.11 expense must conduct a school bus evacuation drill at least once during the school year.

155.12 **EFFECTIVE DATE.** This section is effective July 1, 2007.

155.13 Sec. 3. Minnesota Statutes 2006, section 123B.92, subdivision 5, is amended to read:

155.14 Subd. 5. **District reports.** (a) Each district must report data to the department as  
155.15 required by the department to account for transportation expenditures.

155.16 (b) Salaries and fringe benefits of district employees whose primary duties are  
155.17 other than transportation, including central office administrators and staff, building  
155.18 administrators and staff, teachers, social workers, school nurses, and instructional aides,  
155.19 must not be included in a district's transportation expenditures, except that a district may  
155.20 include salaries and benefits according to paragraph (c) for (1) an employee designated  
155.21 as the district transportation director, (2) an employee providing direct support to the  
155.22 transportation director, or (3) an employee providing direct transportation services such as  
155.23 a bus driver or bus aide.

155.24 (c) Salaries and fringe benefits of the district employees listed in paragraph (b),  
155.25 clauses (1), (2), and (3), who work part time in transportation and part time in other areas  
155.26 must not be included in a district's transportation expenditures unless the district maintains  
155.27 documentation of the employee's time spent on pupil transportation matters in the form  
155.28 and manner prescribed by the department.

155.29 (d) Pupil transportation expenditures, excluding expenditures for capital outlay,  
155.30 leased buses, student board and lodging, crossing guards, and aides on buses, must  
155.31 be allocated among transportation categories based on cost-per-mile, cost-per-student,  
155.32 cost-per-hour, or cost-per-route, regardless of whether the transportation services are  
155.33 provided on district-owned or contractor-owned school buses. Expenditures for school  
155.34 bus driver salaries and fringe benefits may either be directly charged to the appropriate  
155.35 transportation category or may be allocated among transportation categories based

156.1 on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route. Expenditures  
 156.2 by private contractors or individuals who provide transportation exclusively in one  
 156.3 transportation category must be charged directly to the appropriate transportation category.  
 156.4 Transportation services provided by contractor-owned school bus companies incorporated  
 156.5 under different names but owned by the same individual or group of individuals must be  
 156.6 treated as the same company for cost allocation purposes.

156.7 (e) Notwithstanding paragraph (d), districts contracting for transportation services  
 156.8 are exempt from the standard cost allocation method for authorized and nonauthorized  
 156.9 transportation categories if the district (1) bid its contracts separately for authorized and  
 156.10 nonauthorized transportation categories, (2) received bids or quotes from more than one  
 156.11 vendor for these transportation categories or can demonstrate that efforts were made to  
 156.12 solicit bids or quotes through advertising, and (3) the district's cost-per-mile, cost-per-hour,  
 156.13 or cost-per-route does not vary more than ten percent among authorized transportation  
 156.14 categories, excluding expenditures for capital outlay, leased buses, student board and  
 156.15 lodging, crossing guards, special equipment, and aides on buses. If the costs reported by  
 156.16 the district for contractor-owned operations vary more than the parameters outlined above,  
 156.17 the department shall require the district to reallocate its transportation costs, excluding  
 156.18 salaries and fringe benefits of bus aids, among all categories.

156.19 **EFFECTIVE DATE.** This section is effective the day following final enactment  
 156.20 and applies for fiscal year 2007 and later.

156.21 Sec. 4. Minnesota Statutes 2006, section 169.01, subdivision 6, is amended to read:

156.22 Subd. 6. **School bus.** (a) "School bus" means a motor vehicle used to transport  
 156.23 pupils to or from a school defined in section 120A.22, or to or from school-related  
 156.24 activities, by the school or a school district, or by someone under an agreement with the  
 156.25 school or a school district. A school bus does not include a motor vehicle transporting  
 156.26 children to or from school for which parents or guardians receive direct compensation  
 156.27 from a school district, a motor coach operating under charter carrier authority, a transit  
 156.28 bus providing services as defined in section 174.22, subdivision 7, ~~a multifunction school~~  
 156.29 ~~activity bus as defined by federal motor vehicle safety standards~~, or a vehicle otherwise  
 156.30 qualifying as a type III vehicle under paragraph ~~(5)~~ (6), when the vehicle is properly  
 156.31 registered and insured and being driven by an employee or agent of a school district for  
 156.32 nonscheduled or nonregular transportation. A school bus may be type A, type B, type C,  
 156.33 ~~or~~ type D, a multifunctional school activity bus, or type III as follows:

156.34 (1) A "type A school bus" is a ~~van conversion or~~ bus constructed utilizing a cutaway  
 156.35 front section vehicle with a left-side driver's door. ~~The entrance door is behind the front~~

157.1 ~~wheels~~. This definition includes two classifications: type A-I, with a gross vehicle weight  
157.2 rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a  
157.3 GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

157.4 (2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance  
157.5 door is behind the front wheels. This definition includes two classifications: type B-I,  
157.6 with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater  
157.7 than 10,000 pounds.

157.8 (3) A "type C school bus" is constructed utilizing a chassis with a hood and front  
157.9 fender assembly. The entrance door is behind the front wheels. A "type C school bus" also  
157.10 includes a cutaway truck chassis or truck chassis with cab with or without a left side door  
157.11 and with a GVWR greater than 21,500 pounds.

157.12 (4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance  
157.13 door is ahead of the front wheels.

157.14 (5) A "multifunctional school activity bus" is a bus that meets the federal motor  
157.15 vehicle safety standards definition, except for vehicles classified as type III school buses  
157.16 according to paragraph (6).

157.17 (6) Type III school buses and type III Head Start buses are restricted to passenger  
157.18 cars, station wagons, vans, and buses having a maximum manufacturer's rated seating  
157.19 capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of  
157.20 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value  
157.21 specified by the manufacturer as the loaded weight of a single vehicle. A "type III school  
157.22 bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type  
157.23 A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a  
157.24 seating capacity of ten or fewer and placed in service on or after August 1, 1999, must  
157.25 have been originally manufactured to comply with the passenger safety standards.

157.26 **EFFECTIVE DATE.** This section is effective January 1, 2008.

157.27 Sec. 5. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision  
157.28 to read:

157.29 **Subd. 92. Cellular phone.** "Cellular phone" means a cellular, analog, wireless, or  
157.30 digital telephone capable of sending or receiving telephone or text messages without  
157.31 an access line for service.

157.32 Sec. 6. Minnesota Statutes 2006, section 169.443, is amended by adding a subdivision  
157.33 to read:

158.1 Subd. 9. **Personal cellular phone call prohibition.** A school bus driver may not  
158.2 operate a school bus while communicating over, or otherwise operating, a cellular phone  
158.3 for personal reasons, whether hand-held or hands free, when the vehicle is in motion.

158.4 **EFFECTIVE DATE.** This section is effective July 1, 2007.

158.5 Sec. 7. Minnesota Statutes 2006, section 169.447, subdivision 2, is amended to read:

158.6 Subd. 2. **Driver seat belt.** ~~New~~ School buses and Head Start buses ~~manufactured~~  
158.7 ~~after December 31, 1994,~~ must be equipped with driver seat belts and seat belt assemblies  
158.8 of the type described in section 169.685, subdivision 3. School bus drivers and Head  
158.9 Start bus drivers must use these seat belts.

158.10 **EFFECTIVE DATE.** This section is effective July 1, 2007.

158.11 Sec. 8. Minnesota Statutes 2006, section 169.4501, subdivision 1, is amended to read:

158.12 Subdivision 1. **National standards adopted.** Except as provided in sections  
158.13 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C,  
158.14 ~~and D~~ and multifunctional school activity bus school buses used for the transportation  
158.15 of school children shall meet the requirements of the "bus chassis standards" and "bus  
158.16 body standards" in the ~~2000~~ 2005 edition of the "National School Transportation  
158.17 Specifications and Procedures" adopted by the National ~~Conference~~ Congress on School  
158.18 Transportation. Except as provided in section 169.4504, the construction, design, and  
158.19 equipment of types A, B, C, ~~and D~~ and multifunctional school activity bus school buses  
158.20 used for the transportation of students with disabilities also shall meet the requirements  
158.21 of the "specially equipped school bus standards" in the ~~2000~~ 2005 National School  
158.22 Transportation Specifications and Procedures. The "bus chassis standards," "bus body  
158.23 standards," and "specially equipped school bus standards" sections of the ~~2000~~ 2005  
158.24 edition of the "National School Transportation Specifications and Procedures" are  
158.25 incorporated by reference in this chapter.

158.26 **EFFECTIVE DATE.** This section is effective January 1, 2008.

158.27 Sec. 9. Minnesota Statutes 2006, section 169.4501, subdivision 2, is amended to read:

158.28 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections  
158.29 169.4502 and 169.4503, govern the construction, design, equipment, and color of school  
158.30 buses used for the transportation of school children, when owned or leased and operated  
158.31 by a school or privately owned or leased and operated under a contract with a school.

159.1 Each school, its officers and employees, and each person employed under the contract is  
159.2 subject to these standards.

159.3 (b) The standards apply to school buses manufactured after ~~October 31, 2004~~  
159.4 December 31, 2007. Buses complying with the standards when manufactured need not  
159.5 comply with standards established later except as specifically provided for by law.

159.6 (c) A school bus manufactured on or before ~~October 31, 2004~~ December 31,  
159.7 2007, must conform to the Minnesota standards in effect on the date the vehicle was  
159.8 manufactured except as specifically provided for in law.

159.9 (d) A new bus body may be remounted on a used chassis provided that the remounted  
159.10 vehicle meets state and federal standards for new buses which are current at the time of the  
159.11 remounting. Permission must be obtained from the commissioner of public safety before  
159.12 the remounting is done. A used bus body may not be remounted on a new or used chassis.

159.13 **EFFECTIVE DATE.** This section is effective January 1, 2008.

159.14 Sec. 10. Minnesota Statutes 2006, section 169.4502, subdivision 5, is amended to read:

159.15 Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the  
159.16 manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal  
159.17 devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the  
159.18 battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus  
159.19 with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050  
159.20 cold cranking amperes.

159.21 (b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and  
159.22 type C and D buses, the battery shall be temporarily mounted on the chassis frame. The  
159.23 final location of the battery and the appropriate cable lengths in these buses must comply  
159.24 with the SBMI design objectives booklet.

159.25 (c) All batteries shall be mounted according to chassis manufacturers'  
159.26 recommendations.

159.27 (d) In a type C bus, other than are powered by diesel fuel, a battery providing at least  
159.28 550 cold cranking amperes may be installed in the engine compartment only if used in  
159.29 combination with a generator or alternator of at least ~~120~~ 130 amperes.

159.30 (e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be  
159.31 equipped with a battery to provide a minimum of 550 cold cranking amperes only if used  
159.32 in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not  
159.33 apply to those buses with wheelchair lifts or diesel engines.

159.34 **EFFECTIVE DATE.** This section is effective January 1, 2008.

160.1 Sec. 11. Minnesota Statutes 2006, section 169.4503, subdivision 13, is amended to  
160.2 read:

160.3 Subd. 13. **Identification.** (a) Each bus shall, in the beltline, identify the school  
160.4 district serviced, or company name, or owner of the bus. Numbers necessary for  
160.5 identification must appear on the sides and rear of the bus. Symbols or letters may  
160.6 be used on the outside of the bus near the entrance door for student identification. A  
160.7 manufacturer's nameplate or logo may be placed on the bus.

160.8 (b) Effective December 31, 1994, all type A, B, C, and D buses sold must display  
160.9 lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The  
160.10 lettering shall be in two-inch black letters on school bus yellow background. This message  
160.11 shall be displayed directly below the upper window of the rear door. On rear engine buses,  
160.12 it shall be centered at approximately the same location. Only signs and lettering approved  
160.13 or required by state law may be displayed.

160.14 **EFFECTIVE DATE.** This section is effective January 1, 2008.

160.15 Sec. 12. Minnesota Statutes 2006, section 169.4503, subdivision 20, is amended to  
160.16 read:

160.17 Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats  
160.18 shall be covered with a material that has fire retardant or fire block characteristics.

160.19 (b) All seats must have a minimum cushion depth of 15 inches and a seat back  
160.20 height of at least 20 inches above the seating reference point.

160.21 **EFFECTIVE DATE.** This section is effective January 1, 2008.

160.22 Sec. 13. Minnesota Statutes 2006, section 171.02, subdivision 2, is amended to read:

160.23 Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers'  
160.24 licenses are classified according to the types of vehicles that may be driven by the holder  
160.25 of each type or class of license. The commissioner may, as appropriate, subdivide the  
160.26 classes listed in this subdivision and issue licenses classified accordingly.

160.27 (b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no  
160.28 class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer  
160.29 or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless  
160.30 so endorsed. There are four general classes of licenses as described in paragraphs (c)  
160.31 through (f).

160.32 (c) Class D drivers' licenses are valid for:

160.33 (1) operating all farm trucks if the farm truck is:

- 161.1 (i) controlled and operated by a farmer, including operation by an immediate family  
161.2 member or an employee of the farmer;
- 161.3 (ii) used to transport agricultural products, farm machinery, or farm supplies,  
161.4 including hazardous materials, to or from a farm;
- 161.5 (iii) not used in the operations of a common or contract motor carrier as governed by  
161.6 Code of Federal Regulations, title 49, part 365; and
- 161.7 (iv) used within 150 miles of the farm;
- 161.8 (2) notwithstanding paragraph (b), operating an authorized emergency vehicle,  
161.9 as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds  
161.10 gross vehicle weight;
- 161.11 (3) operating a recreational vehicle as defined in section 168.011, subdivision 25,  
161.12 that is operated for personal use;
- 161.13 (4) operating all single-unit vehicles except vehicles with a gross vehicle weight of  
161.14 more than 26,000 pounds, vehicles designed to carry more than 15 passengers including  
161.15 the driver, and vehicles that carry hazardous materials;
- 161.16 (5) notwithstanding paragraph (d), operating a type A school bus or a multifunctional  
161.17 school activity bus without a school bus endorsement if:
- 161.18 ~~(i) the bus has a gross vehicle weight of 10,000 pounds or less;~~  
161.19 ~~(ii) the bus is designed to transport 15 or fewer passengers, including the driver; and~~  
161.20 ~~(iii) the requirements of subdivision 2a are satisfied, as determined by the~~  
161.21 ~~commissioner;~~
- 161.22 (i) the bus is designed to transport 15 or fewer passengers, including the driver;  
161.23 (ii) the requirements of subdivision 2a are satisfied, as determined by the  
161.24 commissioner; and
- 161.25 (iii) the type A school bus or a multifunctional school activity bus has a gross vehicle  
161.26 weight of 14,500 pounds or less;
- 161.27 (6) operating any vehicle or combination of vehicles when operated by a licensed  
161.28 peace officer while on duty; and
- 161.29 (7) towing vehicles if:
- 161.30 (i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or  
161.31 (ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and  
161.32 the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.
- 161.33 (d) Class C drivers' licenses are valid for:
- 161.34 (1) operating class D motor vehicles;
- 161.35 (2) with a hazardous materials endorsement, transporting hazardous materials  
161.36 in class D vehicles; and

162.1 (3) with a school bus endorsement, operating school buses designed to transport 15  
162.2 or fewer passengers, including the driver.

162.3 (e) Class B drivers' licenses are valid for:

162.4 (1) operating all class C motor vehicles, class D motor vehicles, and all other  
162.5 single-unit motor vehicles including, with a passenger endorsement, buses; and

162.6 (2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

162.7 (f) Class A drivers' licenses are valid for operating any vehicle or combination of  
162.8 vehicles.

162.9 **EFFECTIVE DATE.** This section is effective January 1, 2008.

162.10 Sec. 14. Minnesota Statutes 2006, section 171.02, subdivision 2a, is amended to read:

162.11 Subd. 2a. **Exception for certain school bus drivers.** Notwithstanding subdivision  
162.12 2, paragraph (c), the holder of a class D driver's license, without a school bus endorsement,  
162.13 may operate a type A school bus or a multifunctional school activity bus described in  
162.14 subdivision 2, paragraph (b), under the following conditions:

162.15 (a) The operator is an employee of the entity that owns, leases, or contracts for the  
162.16 school bus and is not solely hired to provide transportation services under this subdivision.

162.17 (b) The operator drives the school bus only from points of origin to points of  
162.18 destination, not including home-to-school trips to pick up or drop off students.

162.19 (c) The operator is prohibited from using the type A school bus eight-light system.  
162.20 Violation of this paragraph is a misdemeanor.

162.21 (d) The operator's employer has adopted and implemented a policy that provides for  
162.22 annual training and certification of the operator in:

162.23 (1) safe operation of the type of school bus the operator will be driving;

162.24 (2) understanding student behavior, including issues relating to students with  
162.25 disabilities;

162.26 (3) encouraging orderly conduct of students on the bus and handling incidents of  
162.27 misconduct appropriately;

162.28 (4) knowing and understanding relevant laws, rules of the road, and local school  
162.29 bus safety policies;

162.30 (5) handling emergency situations; and

162.31 (6) safe loading and unloading of students.

162.32 (e) A background check or background investigation of the operator has been  
162.33 conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03  
162.34 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321,

163.1 subdivision 3, for all other persons operating a ~~type A school bus~~ vehicle under this  
163.2 subdivision.

163.3 (f) Operators shall submit to a physical examination as required by section 171.321,  
163.4 subdivision 2.

163.5 (g) The operator's driver's license is verified annually by the entity that owns, leases,  
163.6 or contracts for the ~~school bus~~ vehicle.

163.7 (h) A person who sustains a conviction, as defined under section 609.02, of violating  
163.8 section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute  
163.9 or ordinance of another state is precluded from operating a school bus for five years  
163.10 from the date of conviction.

163.11 (i) A person who has ever been convicted of a disqualifying offense as defined in  
163.12 section 171.3215, subdivision 1, paragraph (c), may not operate a school bus under this  
163.13 subdivision.

163.14 (j) A person who sustains a conviction, as defined under section 609.02, of a fourth  
163.15 moving offense in violation of chapter 169 is precluded from operating a school bus for  
163.16 one year from the date of the last conviction.

163.17 (k) Students riding the ~~school bus~~ vehicle must have training required under section  
163.18 123B.90, subdivision 2.

163.19 (l) An operator must be trained in the proper use of child safety restraints as set  
163.20 forth in the National Highway Traffic Safety Administration's "Guideline for the Safe  
163.21 Transportation of Pre-school Age Children in School Buses;" if child safety restraints are  
163.22 used by the passengers.

163.23 (m) Annual certification of the requirements listed in this subdivision must be  
163.24 maintained under separate file at the business location for each operator licensed under  
163.25 this subdivision and subdivision 2, paragraph (b), clause (5). The business manager,  
163.26 school board, governing body of a nonpublic school, or any other entity that owns,  
163.27 leases, or contracts for the school bus operating under this subdivision is responsible  
163.28 for maintaining these files for inspection.

163.29 (n) The ~~school bus~~ vehicle must bear a current certificate of inspection issued under  
163.30 section 169.451.

163.31 (o) On a type A school bus, the word "School" on the front and rear of the bus  
163.32 must be covered by a sign that reads "Activities" when the bus is being operated under  
163.33 authority of this subdivision.

163.34 **EFFECTIVE DATE.** This section is effective January 1, 2008.

163.35 Sec. 15. Minnesota Statutes 2006, section 171.321, subdivision 4, is amended to read:

164.1 Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when  
164.2 transporting school children to or from school or upon a school-related trip or activity  
164.3 without having demonstrated sufficient skills and knowledge to transport students in  
164.4 a safe and legal manner.

164.5 (b) A bus driver must have training or experience that allows the driver to meet at  
164.6 least the following competencies:

164.7 (1) safely operate the type of school bus the driver will be driving;

164.8 (2) understand student behavior, including issues relating to students with  
164.9 disabilities;

164.10 (3) encourage orderly conduct of students on the bus and handle incidents of  
164.11 misconduct appropriately;

164.12 (4) know and understand relevant laws, rules of the road, and local school bus  
164.13 safety policies;

164.14 (5) handle emergency situations; and

164.15 (6) safely load and unload students.

164.16 (c) The commissioner of public safety shall develop a comprehensive model  
164.17 school bus driver training program and model assessments for school bus driver training  
164.18 competencies, which are not subject to chapter 14. A school district, nonpublic school, or  
164.19 private contractor may use alternative assessments for bus driver training competencies  
164.20 with the approval of the commissioner of public safety. A driver may receive at least eight  
164.21 hours of school bus in-service training any year, as an alternative to being assessed for bus  
164.22 driver competencies after the initial year of being assessed for bus driver competencies.  
164.23 The employer shall keep the assessment or a record of the in-service training for the  
164.24 current period available for inspection by representatives of the commissioner.

164.25 **EFFECTIVE DATE.** This section is effective July 1, 2007.

164.26 Sec. 16. **RULES REVISED: COMMISSIONER OF PUBLIC SAFETY.**

164.27 **Subdivision 1. Rules revised under the good cause exemption.** The commissioner  
164.28 of public safety must amend and adopt the revisions to the rules listed below in  
164.29 subdivisions 2 to 8 under the good cause exemption to the rulemaking process under  
164.30 Minnesota Statutes, section 14.388, subdivision 1, clause (3).

164.31 **Subd. 2. Minnesota Rules, part 7470.0500.** The commissioner of public safety  
164.32 must amend Minnesota Rules, part 7470.0500, by replacing two obsolete references to the  
164.33 Department of Children, Families, and Learning, with a reference to the Department of  
164.34 Public Safety and removing references to specifically repealed rules.

165.1 Subd. 3. **Minnesota Rules, part 7470.0700.** The commissioner of public safety  
165.2 must amend Minnesota Rules, part 7470.0700, as follows:

165.3 (1) for the points assigned to school bus equipment defects, strike the reference to  
165.4 "orange" school buses and include a new school bus color exemption for multifunctional  
165.5 school activity buses;

165.6 (2) replace the references to type I and type II school buses with type A, B, C,  
165.7 or D school buses;

165.8 (3) exempt multifunctional school activity buses from the point reduction for not  
165.9 having a stop arm; and

165.10 (4) exempt multifunctional school activity buses from the point reduction for not  
165.11 having an eight-lamp warning lamp system.

165.12 Subd. 4. **Minnesota Rules, part 7470.1000.** The commissioner of public safety  
165.13 must amend Minnesota Rules, part 7470.1000, to:

165.14 (1) include multifunctional school activity buses in the headnote;

165.15 (2) update subpart 1 to include multifunctional school activity buses as a type of  
165.16 school bus listed after bus types A, B, C, and D;

165.17 (3) modify subpart 2 to clarify that the prohibition against loading or unloading while  
165.18 adjacent to a turn lane applies only when it is a right-hand turn lane and does not prohibit a  
165.19 bus from loading or unloading at the side of the road when there is a center turn lane; and

165.20 (3) expand the exception that allows service dogs on school buses to include all  
165.21 companion animals.

165.22 Subd. 5. **Minnesota Rules, part 7470.1100.** The commissioner of public safety  
165.23 must amend Minnesota Rules, part 7470.1100, to include multifunctional school activity  
165.24 buses in the headnote and amend subpart 1 to include multifunctional school activity  
165.25 buses as a type of school bus listed after bus types A, B, C, and D. The commissioner must  
165.26 also amend paragraph (b) of this part to require drivers to use prewarning flashing signals,  
165.27 flashing red signals, and stop signals arms on buses that are equipped with those signals.

165.28 Subd. 6. **Minnesota Rules, part 7470.1400.** The commissioner of public safety  
165.29 must amend Minnesota Rules, part 7470.1400, to clarify that the operating rules in parts  
165.30 7470.1000 to 7470.1500 apply to buses that are leased and rented as well as to school  
165.31 buses that are owned by a school district, a nonpublic school, or a private operator under  
165.32 contract to a school district or nonpublic school.

165.33 Subd. 7. **Minnesota Rules, part 7470.1500.** The commissioner of public safety  
165.34 must amend Minnesota Rules, part 7470.1500, to:

166.1 (1) clarify that the prohibition against loading or unloading while adjacent to a turn  
166.2 lane applies only when it is a right-hand turn lane and does not prohibit a bus from loading  
166.3 or unloading at the side of the road when there is a center turn lane; and

166.4 (2) delete paragraph (h) because it is obsolete.

166.5 Subd. 8. **Minnesota Rules, part 7470.1700.** The commissioner of public safety  
166.6 must amend Minnesota Rules, part 7470.1700, subpart (2), to:

166.7 (1) clarify that the bus driver and the bus aide must have access to emergency health  
166.8 care information for the students with disabilities transported on the bus; and

166.9 (2) add a paragraph (e) that allows the health information to be maintained either in  
166.10 a hard copy on the vehicle or immediately accessible through a two-way communications  
166.11 system.

166.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

166.13 **Sec. 17. REPEALER.**

166.14 Minnesota Statutes 2006, sections 169.4502, subdivision 15; and 169.4503,  
166.15 subdivisions 17, 18, and 26, are repealed.

166.16 **EFFECTIVE DATE.** This section is effective January 1, 2008.