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HOUSE FILE NO. 2475

FIRST COMMITTEE ENGROSSMENT

May 9, 2007

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The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to K-12 Finance Division.

March 25, 2008

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

1.1 A bill for an act
1.2 relating to education finance; providing funding for prekindergarten through
1.3 grade 12 education; authorizing rulemaking; appropriating money; amending
1.4 Minnesota Statutes 2006, sections 120B.131, subdivision 2; 120B.31, as
1.5 amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21;
1.6 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04,
1.7 subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision
1.8 20; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a
1.9 subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17,
1.10 subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by
1.11 adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; Minnesota
1.12 Statutes 2007 Supplement, sections 120B.30; 123B.143, subdivision 1;
1.13 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; Laws 2007, chapter
1.14 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section
1.15 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24,
1.16 subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section
1.17 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions
1.18 2, 3, 4, 8, 9, 13; Laws 2007, First Special Session chapter 2, article 1, section
1.19 11, subdivisions 1, 2, 6; proposing coding for new law in Minnesota Statutes,
1.20 chapters 120B; 124D; 127A; 145; repealing Minnesota Statutes 2006, sections
1.21 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; Laws 2006, chapter 263,
1.22 article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section
1.23 11, subdivisions 3, 4.

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

ARTICLE 1

K-12 EDUCATION

1.27 Section 1. Minnesota Statutes 2006, section 120B.131, subdivision 2, is amended to
1.28 read:

1.29 Subd. 2. **Reimbursement for examination fees.** The state may reimburse
1.30 college-level examination program (CLEP) fees for a Minnesota public or nonpublic high
1.31 school student who has successfully completed one or more college-level courses in high

2.1 school in the subject matter of each examination in the following subjects: composition
2.2 and literature, mathematics and science, social sciences and history, foreign languages, and
2.3 business and humanities. ~~The state may reimburse each student for up to six examination~~
2.4 ~~fees.~~ The commissioner shall establish application procedures and a process and schedule
2.5 for fee reimbursements. The commissioner must give priority to reimburse the CLEP
2.6 examination fees of students of low-income families.

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

2.8 Sec. 2. **[120B.299] DEFINITIONS.**

2.9 **Subdivision 1. Definitions.** The definitions in this section apply to this chapter.

2.10 **Subd. 2. Growth.** "Growth" compares the difference between a student's
2.11 achievement score at two distinct points in time.

2.12 **Subd. 3. Value-added.** "Value-added" is the amount of achievement a student
2.13 demonstrates above an established baseline.

2.14 **Subd. 4. Growth-based value-added.** "Growth-based value-added" is a
2.15 value-added system of assessments that measures the difference between an established
2.16 baseline of growth and a student's growth over time.

2.17 **Subd. 5. Adequate yearly progress.** "Adequate yearly progress" compares the
2.18 average achievement of two different groups of students at two different points in time.

2.19 **Subd. 6. State growth norm.** "State growth norm" is an established statewide
2.20 percentile or standard applicable to all students in a particular grade benchmarked to an
2.21 established school year. Beginning in the 2008-2009 school year, the state growth norm
2.22 is benchmarked to 2006-2007 school year data until the commissioner next changes the
2.23 vertically linked scale score. Each time the commissioner changes the vertically linked
2.24 scale score, a recognized Minnesota assessment group composed of assessment and
2.25 evaluation directors and staff and researchers, in collaboration with the Independent Office
2.26 of Educational Accountability under section 120B.31, subdivision 3, must recommend
2.27 a new state growth norm that the commissioner must consider when revising standards
2.28 under section 120B.023, subdivision 2. For each newly established state growth norm, the
2.29 commissioner also must establish criteria for identifying schools and school districts that
2.30 demonstrate accelerated growth in order to advance educators' professional development
2.31 and to replicate programs that succeed in meeting students' diverse learning needs.

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

3.1 Sec. 3. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

3.2 **120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.**

3.3 Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts
3.4 with appropriate technical qualifications and experience and stakeholders, consistent with
3.5 subdivision 1a, shall include in the comprehensive assessment system, for each grade
3.6 level to be tested, state-constructed tests developed from and aligned with the state's
3.7 required academic standards under section 120B.021 and administered annually to all
3.8 students in grades 3 through 8 and at the high school level. A state-developed test in a
3.9 subject other than writing, ~~developed after the 2002-2003 school year,~~ must include both
3.10 machine-scoreable and constructed response questions. The commissioner shall establish
3.11 one or more months during which schools shall administer the tests to students each
3.12 school year. For students enrolled in grade 8 before the 2005-2006 school year, only
3.13 Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students'
3.14 basic skills testing requirements for a passing state notation. The passing scores of basic
3.15 skills tests in reading and mathematics are the equivalent of 75 percent correct for students
3.16 entering grade 9 ~~in 1997 and thereafter, as based on the first uniform test administration of~~
3.17 administered in February 1998.

3.18 (b) For students enrolled in grade 8 in the 2005-2006 school year and later, only the
3.19 following options shall fulfill students' state graduation test requirements:

3.20 (1) for reading and mathematics:

3.21 (i) obtaining an achievement level equivalent to or greater than proficient as
3.22 determined through a standard setting process on the Minnesota comprehensive
3.23 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing
3.24 score as determined through a standard setting process on the graduation-required
3.25 assessment for diploma in grade 10 for reading and grade 11 for mathematics or
3.26 subsequent retests;

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

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

3.34 (iv) obtaining achievement level equivalent to or greater than proficient as
3.35 determined through a standard setting process on the state-identified alternate assessment

4.1 or assessments in grade 10 for reading and grade 11 for mathematics for students with
4.2 an individual education plan; or

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

4.6 (2) for writing:

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

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

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

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

4.17 (c) The 3rd through 8th grade and high school level test results shall be available
4.18 to districts for diagnostic purposes affecting student learning and district instruction and
4.19 curriculum, and for establishing educational accountability. The commissioner must
4.20 disseminate to the public the test results upon receiving those results.

4.21 (d) State tests must be constructed and aligned with state academic standards. The
4.22 commissioner shall determine the testing process and the order of administration ~~shall be~~
4.23 ~~determined by the commissioner~~. The statewide results shall be aggregated at the site and
4.24 district level, consistent with subdivision 1a.

4.25 (e) In addition to the testing and reporting requirements under this section, the
4.26 commissioner shall include the following components in the statewide public reporting
4.27 system:

4.28 (1) uniform statewide testing of all students in grades 3 through 8 and at the high
4.29 school level that provides appropriate, technically sound accommodations, alternate
4.30 assessments, or exemptions consistent with applicable federal law, only with parent or
4.31 guardian approval, for those very few students for whom the student's individual education
4.32 plan team under sections 125A.05 and 125A.06 determines that the general statewide test
4.33 is inappropriate for a student, or for a limited English proficiency student under section
4.34 124D.59, subdivision 2;

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

5.4 (3) state results on the American College Test; and

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

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

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

5.17 (2) annual science assessments in one grade in the grades 3 through 5 span, the
5.18 grades 6 through ~~9~~ 8 span, and a life sciences assessment in the grades ~~10~~ 9 through 12
5.19 span for the 2007-2008 school year and later.

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

5.23 (c) Reporting of assessment results must:

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

5.26 (2) include, by no later than the 2008-2009 school year, a growth-based value-added
5.27 ~~component that is in addition to a measure for student achievement growth over time~~
5.28 indicator of student achievement under section 120B.35, subdivision 3, paragraph (b); and

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

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

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

6.1 (e) A school, school district, and charter school must administer statewide
6.2 assessments under this section, as the assessments become available, to evaluate student
6.3 ~~progress in achieving the~~ proficiency in the context of the state's grade level academic
6.4 standards. If a state assessment is not available, a school, school district, and charter
6.5 school must determine locally if a student has met the required academic standards. A
6.6 school, school district, or charter school may use a student's performance on a statewide
6.7 assessment as one of multiple criteria to determine grade promotion or retention. A
6.8 school, school district, or charter school may use a high school student's performance on a
6.9 statewide assessment as a percentage of the student's final grade in a course, or place a
6.10 student's assessment score on the student's transcript.

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

6.14 Subd. 3. **Reporting.** The commissioner shall report test data publicly and to
6.15 stakeholders, including the performance achievement levels developed from students'
6.16 unweighted test scores in each tested subject and a listing of demographic factors that
6.17 strongly correlate with student performance. The commissioner shall also report data that
6.18 compares performance results among school sites, school districts, Minnesota and other
6.19 states, and Minnesota and other nations. The commissioner shall disseminate to schools
6.20 and school districts a more comprehensive report containing testing information that
6.21 meets local needs for evaluating instruction and curriculum.

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

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

6.29 Sec. 4. Minnesota Statutes 2006, section 120B.31, as amended by Laws 2007, chapter
6.30 146, article 2, section 10, is amended to read:

6.31 **120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL**
6.32 **ADJUSTMENTS.**

6.33 Subdivision 1. **Educational accountability and public reporting.** Consistent
6.34 with the process direction to adopt ~~a results-oriented graduation rule~~ statewide academic

7.1 standards under section 120B.02, the department, in consultation with education and other
7.2 system stakeholders, must ~~establish~~ maintain a coordinated and comprehensive system of
7.3 educational accountability and public reporting that promotes ~~higher~~ greater academic
7.4 achievement, preparation for higher academic education, preparation for the world of
7.5 work, citizenship as outlined under sections 120B.021, subdivision 1, clause (4), and
7.6 120B.024, paragraph (a), clause (4), and the arts.

7.7 Subd. 2. **Statewide testing.** Each school year, all school districts shall give a
7.8 uniform statewide test to students at specified grades to provide information on the status,
7.9 needs and performance of Minnesota students.

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

7.20 (1) the statewide system of educational accountability ~~utilizes~~ uses multiple
7.21 indicators to provide valid and reliable comparative and contextual data on students,
7.22 schools, districts, and the state, and if not, recommend ways to improve the accountability
7.23 reporting system;

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

7.26 (3) the commissioner uses ~~indicators of student achievement growth~~ a growth-based
7.27 value-added indicator of student achievement over time ~~and a value-added assessment~~
7.28 ~~model~~ that estimates the effects of the school and school district on student achievement to
7.29 measure school performance, consistent with section ~~120B.36, subdivision 1~~ 120B.35,
7.30 subdivision 3, paragraph (b);

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

7.35 (5) the commissioner fulfills the requirements under section 127A.095, subdivision 2.

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

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

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

8.5 Subd. 4. **Statistical adjustments; student performance data.** In ~~developing~~
8.6 managing policies and assessment processes to hold schools and districts accountable
8.7 for high levels of academic standards under section 120B.021, the commissioner shall
8.8 aggregate student data over time to report student performance and growth levels
8.9 measured at the school, school district, ~~regional, or~~ and statewide level. When collecting
8.10 and reporting the performance data, the commissioner shall: (1) acknowledge the impact
8.11 of significant demographic factors such as residential instability, the number of single
8.12 parent families, parents' level of education, and parents' income level on school outcomes;
8.13 and (2) organize and report the data so that state and local policy makers can understand
8.14 the educational implications of changes in districts' demographic profiles over time. Any
8.15 report the commissioner disseminates containing summary data on student performance
8.16 must integrate student performance and the demographic factors that strongly correlate
8.17 with that performance.

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

8.19 Sec. 5. Minnesota Statutes 2006, section 120B.35, as amended by Laws 2007, chapter
8.20 147, article 8, section 38, is amended to read:

8.21 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND ~~PROGRESS~~**
8.22 **GROWTH.**

8.23 Subdivision 1. ~~Adequate yearly progress of schools and students~~ **School and**
8.24 **student indicators of growth and achievement.** The commissioner must ~~develop~~
8.25 ~~and implement~~ maintain a system for measuring and reporting academic achievement
8.26 and individual student ~~progress~~ growth, consistent with the statewide educational
8.27 accountability and reporting system. The system components ~~of the system~~ must measure
8.28 the adequate yearly progress of schools and the growth of individual students: students'
8.29 current achievement in schools under subdivision 2; and individual students' educational
8.30 ~~progress~~ growth over time under subdivision 3. The system also must include statewide
8.31 measures of student academic ~~achievement~~ growth that identify schools with high levels
8.32 of ~~achievement~~ growth, and also schools with low levels of ~~achievement~~ growth that need
8.33 improvement. When determining a school's effect, the data must include both statewide
8.34 measures of student achievement and, ~~to the extent annual tests are administered,~~

9.1 indicators of achievement growth that take into account a student's prior achievement.
9.2 Indicators of achievement and prior achievement must be based on highly reliable
9.3 statewide or districtwide assessments. Indicators that take into account a student's prior
9.4 achievement must not be used to disregard a school's low achievement or to exclude
9.5 a school from a program to improve low achievement levels. ~~The commissioner by~~
9.6 ~~January 15, 2002, must submit a plan for integrating these components to the chairs of~~
9.7 ~~the legislative committees having policy and budgetary responsibilities for elementary~~
9.8 ~~and secondary education.~~

9.9 Subd. 2. **Expectations for federally mandated student academic achievement.**

9.10 (a) Each school year, a school district must determine if the student achievement levels
9.11 at each school site meet ~~state and local~~ federally mandated expectations. If student
9.12 achievement levels at a school site do not meet ~~state and local~~ federally mandated
9.13 expectations and the site has not made adequate yearly progress for two consecutive
9.14 school years, beginning with the 2001-2002 school year, the district must work with the
9.15 school site to adopt a plan to raise student achievement levels to meet ~~state and local~~
9.16 federally mandated expectations. The commissioner of education shall establish student
9.17 academic achievement levels to comply with this paragraph.

9.18 (b) School sites identified as not meeting federally mandated expectations must
9.19 develop continuous improvement plans in order to meet ~~state and local~~ federally mandated
9.20 expectations for student academic achievement. The department, at a district's request,
9.21 must assist the district and the school site in developing a plan to improve student
9.22 achievement. The plan must include parental involvement components.

9.23 (c) The commissioner must:

9.24 (1) ~~provide assistance to~~ assist school sites and districts identified as not meeting
9.25 federally mandated expectations; and

9.26 (2) provide technical assistance to schools that integrate student ~~progress~~ measures
9.27 ~~under subdivision 3~~ in the school continuous improvement plan.

9.28 (d) The commissioner shall establish and maintain a continuous improvement Web
9.29 site designed to make data on every school and district available to parents, teachers,
9.30 administrators, community members, and the general public.

9.31 Subd. 3. **Student ~~progress assessment~~ growth; other state measures.** (a)

9.32 The state's educational assessment system ~~component~~ measuring individual students'
9.33 educational ~~progress must be~~ growth is based, to the extent annual tests are administered,
9.34 on indicators of achievement growth that show an individual student's prior achievement.
9.35 Indicators of achievement and prior achievement ~~must be~~ are based on highly reliable
9.36 statewide or districtwide assessments.

10.1 (b) ~~The commissioner must identify effective models for measuring individual~~
10.2 ~~student progress that enable a school district or school site to perform gains-based~~
10.3 ~~analysis, including evaluating the effects of the teacher, school, and school district on~~
10.4 ~~student achievement over time. At least one model must be a "value-added" assessment~~
10.5 ~~model that reliably estimates those effects for classroom settings where a single teacher~~
10.6 ~~teaches multiple subjects to the same group of students, for team teaching arrangements,~~
10.7 ~~and for other teaching circumstances.~~ use a growth-based value-added system. The
10.8 commissioner must apply the state growth norm to students in grades 4 through 8
10.9 beginning in the 2008-2009 school year, consistent with section 120B.299, subdivision
10.10 6, initially benchmarking the state growth norm to 2006-2007 school year data. The
10.11 model must allow the user to:

10.12 (1) report student growth at and above the state norm; and

10.13 (2) for all student categories with a cell size of at least 20, report and compare
10.14 aggregated and disaggregated state growth data using the nine student categories identified
10.15 under the federal 2001 No Child Left Behind Act and two student gender categories of
10.16 male and female, respectively. The model must measure the effects that teacher teams
10.17 within a grade, teacher teams across an entire grade, the school, and the school district
10.18 have on student growth. The model must not compile test results for teacher teams within
10.19 a grade or across a grade unless the test results encompass data on three or more teachers.

10.20 ~~(c) If a district has an accountability plan that includes gains-based analysis or~~
10.21 ~~"value-added" assessment, the commissioner shall, to the extent practicable, incorporate~~
10.22 ~~those measures in determining whether the district or school site meets expectations. The~~
10.23 ~~department must coordinate with the district in evaluating school sites and continuous~~
10.24 ~~improvement plans, consistent with best practices.~~ If a district has an accountability
10.25 plan that includes other growth-based value-added analysis, the commissioner may, to
10.26 the extent practicable and consistent with this section, incorporate those measures in
10.27 determining whether the district or school site shows growth, including accelerated growth.

10.28 (d) When reporting student performance under section 120B.36, subdivision 1, the
10.29 commissioner annually, beginning July 1, 2011, must report two core measures indicating
10.30 the extent to which current high school graduates are being prepared for postsecondary
10.31 academic and career opportunities:

10.32 (1) a preparation measure indicating the number and percentage of high school
10.33 graduates in the most recent school year who completed course work important to
10.34 preparing them for postsecondary academic and career opportunities, consistent with the
10.35 core academic subjects required for admission to Minnesota's public four-year colleges
10.36 and universities as determined by the Office of Higher Education under chapter 136A; and

11.1 (2) a rigorous coursework measure indicating the number and percentage of high
11.2 school graduates in the most recent school year who successfully completed one or more
11.3 college-level advanced placement, international baccalaureate, postsecondary enrollment
11.4 options including concurrent enrollment, other rigorous courses of study under section
11.5 120B.021, subdivision 1a, or industry certification courses or programs.

11.6 When reporting the core measures under clauses (1) and (2), the commissioner must also
11.7 analyze and report separate categories of information using the nine student categories
11.8 identified under the federal 2001 No Child Left Behind Act and two student gender
11.9 categories of male and female, respectively.

11.10 (e) When reporting student performance under section 120B.36, subdivision 1, the
11.11 commissioner annually, beginning July 1, 2011, must include summary data showing
11.12 students' average self-reported sense of school safety, engagement in school, and the
11.13 quality of students' relationship with teachers, administrators, and other students. The
11.14 commissioner must gather these data consistently from students in grade 4 or 5, in one
11.15 grade level in grades 6 through 8, and in one grade level in high school, as determined by
11.16 the commissioner in consultation with recognized and qualified experts.

11.17 Subd. 4. **Improving schools.** Consistent with the requirements of this section, the
11.18 commissioner of education must ~~establish a second achievement benchmark to identify~~
11.19 ~~improving schools. The commissioner must recommend to~~ annually report to the public
11.20 and the legislature by February 15, 2002, indicators in addition to the achievement
11.21 ~~benchmark for identifying improving schools, including an indicator requiring a school to~~
11.22 ~~demonstrate ongoing successful use of best teaching practices~~ best practices learned from
11.23 those schools that demonstrate accelerated growth compared to the state growth norm.

11.24 Subd. 5. **Improving graduation rates for students with emotional or behavioral**
11.25 **disorders.** (a) A district must develop strategies in conjunction with parents of students
11.26 with emotional or behavioral disorders and the county board responsible for implementing
11.27 sections 245.487 to 245.4889 to keep students with emotional or behavioral disorders in
11.28 school, when the district has a drop-out rate for students with an emotional or behavioral
11.29 disorder in grades 9 through 12 exceeding 25 percent.

11.30 (b) A district must develop a plan in conjunction with parents of students with
11.31 emotional or behavioral disorders and the local mental health authority to increase the
11.32 graduation rates of students with emotional or behavioral disorders. A district with a
11.33 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through
11.34 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight
11.35 to the commissioner.

12.1 **EFFECTIVE DATE.** Subdivision 3, paragraph (b), applies to students in the
12.2 2009-2010 school year and later. Subdivision 3, paragraph (d), applies to students in the
12.3 2010-2011 school year and later. Subdivision 3, paragraph (e), applies to high school
12.4 students in the 2009-2010 school year and later, and to students in any grades 4 through 8
12.5 in the 2010-2011 school year and later, consistent with the commissioner's grade level
12.6 determinations. Subdivision 4 applies in the 2011-2012 school year and later.

12.7 Sec. 6. Minnesota Statutes 2006, section 120B.36, as amended by Laws 2007, chapter
12.8 146, article 2, section 11, is amended to read:

12.9 **120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.**

12.10 Subdivision 1. **School performance report cards.** (a) The commissioner shall
12.11 ~~use objective criteria based on levels of student performance to report at least~~ student
12.12 academic performance under section 120B.35, subdivision 2, the percentages of students
12.13 at and above the state growth norm under section 120B.35, subdivision 3, paragraph (b),
12.14 school safety and student engagement under section 120B.35, subdivision 3, paragraph
12.15 (e), rigorous coursework under section 120B.35, subdivision 3, paragraph (d), two
12.16 separate student-to-teacher ratios that clearly indicate the definition of teacher consistent
12.17 with sections 122A.06 and 122A.15 for purposes of determining these ratios, ~~and~~ staff
12.18 characteristics excluding salaries, with a value-added component added no later than
12.19 the 2008-2009 school year student enrollment demographics, district mobility, and
12.20 extracurricular activities. The report must indicate a school's adequate yearly progress
12.21 status, and must not set any designations applicable to high- and low-performing schools
12.22 due solely to adequate yearly progress status.

12.23 (b) The commissioner shall develop, annually update, and post on the department
12.24 Web site school performance report cards.

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

12.27 (d) A school or district may appeal its adequate yearly progress status in writing to
12.28 the commissioner within 30 days of receiving the notice of its status. The commissioner's
12.29 decision to uphold or deny an appeal is final.

12.30 (e) School performance report ~~cards~~ card data are nonpublic data under section
12.31 13.02, subdivision 9, until not later than ten days after the appeal procedure described in
12.32 paragraph (d) concludes. The department shall annually post school performance report
12.33 cards to its public Web site no later than September 1.

12.34 Subd. 2. **Adequate yearly progress data.** All data the department receives,
12.35 collects, or creates ~~for purposes of determining~~ to determine adequate yearly progress

13.1 ~~designations status~~ under Public Law 107-110, section 1116, set state growth norms, and
13.2 determine student growth are nonpublic data under section 13.02, subdivision 9, until not
13.3 later than ten days after the appeal procedure described in subdivision 1, paragraph (d),
13.4 concludes. Districts must provide parents sufficiently detailed summary data to permit
13.5 parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall
13.6 annually post federally mandated adequate yearly progress data and state student growth
13.7 data to its public Web site no later than September 1.

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

13.9 Sec. 7. Minnesota Statutes 2006, section 120B.362, is amended to read:

13.10 **120B.362 GROWTH-BASED VALUE-ADDED ASSESSMENT PROGRAM.**

13.11 ~~(a) The commissioner of education must implement a growth-based value-added~~
13.12 ~~assessment program to assist school districts, public schools, and charter schools in~~
13.13 ~~assessing and reporting individual students' growth in academic achievement under section~~
13.14 ~~120B.30, subdivision 1a. The program must use assessments of individual students'~~
13.15 ~~academic achievement to make longitudinal comparisons of each student's academic~~
13.16 ~~growth over time. School districts, public schools, and charter schools may apply to the~~
13.17 ~~commissioner to participate in the initial trial program using a form and in the manner the~~
13.18 ~~commissioner prescribes. The commissioner must select program participants from urban,~~
13.19 ~~suburban, and rural areas throughout the state.~~

13.20 ~~(b) The commissioner may issue a request for proposals to contract with an~~
13.21 ~~organization that provides a value-added assessment model that reliably estimates school~~
13.22 ~~and school district effects on students' academic achievement over time. The model the~~
13.23 ~~commissioner selects must accommodate diverse data and must use each student's test~~
13.24 ~~data across grades. Data on individual teachers generated under the model are personnel~~
13.25 ~~data under section 13.43.~~

13.26 ~~(c) The contract under paragraph (b) must be consistent with the definition of "best~~
13.27 ~~value" under section 16C.02, subdivision 4.~~

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

13.29 Sec. 8. Minnesota Statutes 2006, section 122A.21, is amended to read:

13.30 **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

13.31 Subdivision 1. Licensure applications. Each application for the issuance, renewal,
13.32 or extension of a license to teach, including applications for licensure via portfolio under
13.33 subdivision 2, must be accompanied by a processing fee of \$57. Each application for

14.1 issuing, renewing, or extending the license of a school administrator or supervisor must
14.2 be accompanied by a processing fee in the amount set by the Board of Teaching. The
14.3 processing fee for a teacher's license and for the licenses of supervisory personnel must
14.4 be paid to the executive secretary of the appropriate board. The executive secretary of
14.5 the board shall deposit the fees with the commissioner of finance. The fees as set by the
14.6 board are nonrefundable for applicants not qualifying for a license. However, a fee must
14.7 be refunded by the commissioner of finance in any case in which the applicant already
14.8 holds a valid unexpired license. The board may waive or reduce fees for applicants who
14.9 apply at the same time for more than one license.

14.10 Subd. 2. **Licensure via portfolio.** (a) A candidate seeking licensure via portfolio
14.11 must submit a \$75 fee to the Educator Licensing Division at the department to determine
14.12 the candidate's eligibility for licensure via portfolio. An eligible candidate may use
14.13 licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent
14.14 with the applicable Board of Teaching licensure rules.

14.15 (b) A candidate for initial licensure must submit to the Educator Licensing Division
14.16 at the department one portfolio demonstrating pedagogical competence and one portfolio
14.17 demonstrating content competence.

14.18 (c) A candidate seeking to add a licensure field must submit to the Educator
14.19 Licensing Division at the department one portfolio demonstrating content competence.

14.20 (d) A candidate must pay to the executive secretary of the Board of Teaching a
14.21 \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio
14.22 submitted subsequently. The fees must be paid to the executive secretary of the Board of
14.23 Teaching. The revenue generated from the fee must be deposited in an education licensure
14.24 portfolio account in the special revenue fund. The fees set by the Board of Teaching are
14.25 nonrefundable for applicants not qualifying for a license. The Board of Teaching may
14.26 wave or reduce fees for candidates based on financial need.

14.27 Sec. 9. Minnesota Statutes 2006, section 123B.02, subdivision 21, is amended to read:

14.28 Subd. 21. **Wind energy conversion system.** The board, or more than one board
14.29 acting jointly under the authority granted by section 471.59, may construct, acquire, own
14.30 in whole or in part, operate, and sell and retain and spend the payment received from
14.31 selling energy from a wind energy conversion system, as defined in section 216C.06,
14.32 subdivision 19. The board's share of the installed capacity of the wind energy conversion
14.33 systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate
14.34 capacity. A board owning, operating, or selling energy from a wind energy conversion
14.35 system must integrate information about wind energy conversion systems in its educational

15.1 programming. The board, or more than one board acting jointly under the authority
15.2 granted by section 471.59, may be a limited partner in a partnership, a member of a limited
15.3 liability company, or a shareholder in a corporation, established for the sole purpose of
15.4 constructing, acquiring, owning in whole or in part, financing, or operating a wind energy
15.5 conversion system for the benefit of the district or districts in accordance with this section.

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

15.7 Sec. 10. Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1,
15.8 is amended to read:

15.9 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary
15.10 school must employ a superintendent who shall be an ex officio nonvoting member of the
15.11 school board. The authority for selection and employment of a superintendent must be
15.12 vested in the board in all cases. An individual employed by a board as a superintendent
15.13 shall have an initial employment contract for a period of time no longer than three years
15.14 from the date of employment. Any subsequent employment contract must not exceed a
15.15 period of three years. A board, at its discretion, may or may not renew an employment
15.16 contract. A board must not, by action or inaction, extend the duration of an existing
15.17 employment contract. Beginning 365 days prior to the expiration date of an existing
15.18 employment contract, a board may negotiate and enter into a subsequent employment
15.19 contract to take effect upon the expiration of the existing contract. A subsequent contract
15.20 must be contingent upon the employee completing the terms of an existing contract. If a
15.21 contract between a board and a superintendent is terminated prior to the date specified in
15.22 the contract, the board may not enter into another superintendent contract with that same
15.23 individual that has a term that extends beyond the date specified in the terminated contract.
15.24 A board may terminate a superintendent during the term of an employment contract for any
15.25 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall
15.26 not rely upon an employment contract with a board to assert any other continuing contract
15.27 rights in the position of superintendent under section 122A.40. Notwithstanding the
15.28 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law
15.29 to the contrary, no individual shall have a right to employment as a superintendent based
15.30 on order of employment in any district. If two or more districts enter into an agreement for
15.31 the purchase or sharing of the services of a superintendent, the contracting districts have
15.32 the absolute right to select one of the individuals employed to serve as superintendent
15.33 in one of the contracting districts and no individual has a right to employment as the
15.34 superintendent to provide all or part of the services based on order of employment in a
15.35 contracting district. The superintendent of a district shall perform the following:

- 16.1 (1) visit and supervise the schools in the district, report and make recommendations
16.2 about their condition when advisable or on request by the board;
- 16.3 (2) recommend to the board employment and dismissal of teachers;
- 16.4 (3) superintend school grading practices and examinations for promotions;
- 16.5 (4) make reports required by the commissioner; and
- 16.6 (5) ~~by January 10, submit an annual report to the commissioner in a manner~~
16.7 ~~prescribed by the commissioner, in consultation with school districts, identifying the~~
16.8 ~~expenditures that the district requires to ensure an 80 percent student passage rate on~~
16.9 ~~the MCA-IIs taken in the eighth grade, identifying the highest student passage rate the~~
16.10 ~~district expects it will be able to attain on the MCA-IIs by grade 12, and the amount of~~
16.11 ~~expenditures that the district requires to attain the targeted student passage rate; and~~
16.12 (6) perform other duties prescribed by the board.

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

16.14 Sec. 11. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

16.15 Subdivision 1. **To qualify.** (a) An independent or special school district qualifies to
16.16 participate in the alternative facilities bonding and levy program if the district has:

16.17 (1) more than 66 students per grade;

16.18 (2) over 1,850,000 square feet of space and the average age of building space is 15
16.19 years or older or over 1,500,000 square feet and the average age of building space is
16.20 35 years or older;

16.21 (3) insufficient funds from projected health and safety revenue and capital facilities
16.22 revenue to meet the requirements for deferred maintenance, to make accessibility
16.23 improvements, or to make fire, safety, or health repairs; and

16.24 (4) a ten-year facility plan approved by the commissioner according to subdivision 2.

16.25 (b) An independent or special school district not eligible to participate in the
16.26 alternative facilities bonding and levy program under paragraph (a) qualifies for limited
16.27 participation in the program if the district has:

16.28 (1) one or more health and safety projects with an estimated cost of \$500,000 or
16.29 more per site that would qualify for health and safety revenue except for the project size
16.30 limitation in section 123B.57, subdivision 1, paragraph (b); and

16.31 (2) insufficient funds from capital facilities revenue to fund those projects.

16.32 (c) Notwithstanding the square footage limitation in paragraph (a), clause (2),
16.33 a school district that qualified for eligibility under paragraph (a) as of July 1, 2007,
16.34 remains eligible for funding under this section as long as the district continues to meet
16.35 the requirements of paragraph (a), clauses (1), (3), and (4).

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

17.2 Sec. 12. Minnesota Statutes 2006, section 123B.62, is amended to read:

17.3 **123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.**

17.4 (a) In addition to other bonding authority, with approval of the commissioner, a
17.5 district may issue general obligation bonds for certain capital projects under this section.

17.6 The bonds must be used only to make capital improvements including:

17.7 (1) under section 126C.10, subdivision 14, total operating capital revenue uses
17.8 specified in clauses (4), (6), (7), (8), (9), and (10);

17.9 (2) the cost of energy modifications;

17.10 (3) improving disability accessibility to school buildings; and

17.11 (4) bringing school buildings into compliance with life and safety codes and fire
17.12 codes.

17.13 (b) Before a district issues bonds under this subdivision, it must publish notice
17.14 of the intended projects, the amount of the bond issue, and the total amount of district
17.15 indebtedness.

17.16 (c) A bond issue tentatively authorized by the board under this subdivision becomes
17.17 finally authorized unless a petition signed by more than 15 percent of the registered voters
17.18 of the district is filed with the school board within 30 days of the board's adoption of a
17.19 resolution stating the board's intention to issue bonds. The percentage is to be determined
17.20 with reference to the number of registered voters in the district on the last day before the
17.21 petition is filed with the board. The petition must call for a referendum on the question of
17.22 whether to issue the bonds for the projects under this section. The approval of 50 percent
17.23 plus one of those voting on the question is required to pass a referendum authorized
17.24 by this section.

17.25 (d) The bonds must be paid off within ~~ten~~ 15 years of issuance. The bonds must be
17.26 issued in compliance with chapter 475, except as otherwise provided in this section. A tax
17.27 levy must be made for the payment of principal and interest on the bonds in accordance
17.28 with section 475.61. The sum of the tax levies under this section and section 123B.61 for
17.29 each year must not exceed the limit specified in section 123B.61. The levy for each year
17.30 must be reduced as provided in section 123B.61. A district using an excess amount in the
17.31 debt redemption fund to retire the bonds shall report the amount used for this purpose to
17.32 the commissioner by July 15 of the following fiscal year. A district having an outstanding
17.33 capital loan under section 126C.69 or an outstanding debt service loan under section
17.34 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

18.1 (e) Notwithstanding paragraph (d), bonds issued by a district within the first
18.2 five years following voter approval of a combination according to section 123A.37,
18.3 subdivision 2, must be paid off within 20 years of issuance. All the other provisions and
18.4 limitation of paragraph (d) apply.

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

18.6 Sec. 13. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

18.7 Subd. 3. **Pupils in adjoining states.** Except as provided under an agreement with
18.8 an adjoining state under section 124D.041, a non-Minnesota pupil who resides in an
18.9 adjoining state in a district that borders Minnesota may enroll in a Minnesota district if
18.10 either the board of the district in which the pupil resides or state in which the pupil resides
18.11 pays tuition to the district in which the pupil is enrolled.

18.12 Sec. 14. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

18.13 Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the
18.14 commissioner must agree to rates of tuition for Minnesota elementary and secondary
18.15 pupils attending in other states for the next two fiscal years when the other state agrees to
18.16 negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the
18.17 designated authority in each state for pupils who reside in an adjoining state and enroll in
18.18 a Minnesota district. The rates must be at least equal to the tuition specified in section
18.19 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate,
18.20 a Minnesota school district may negotiate a tuition rate with the school district in the other
18.21 state that sends a pupil to or receives a pupil from the Minnesota school district. The
18.22 tuition rate for a pupil with a disability must be equal to the actual cost of instruction and
18.23 services provided. The resident district of a Minnesota pupil attending in another state
18.24 under this section must pay the amount of tuition agreed upon in this section to the district
18.25 of attendance, prorated on the basis of the proportion of the school year attended.

18.26 (b) Notwithstanding paragraph (a) and subdivision 9, if an agreement is reached
18.27 between the state of Minnesota and an adjoining state pursuant to section 124D.041,
18.28 the provisions of section 124D.041 and the agreement shall apply to all enrollment
18.29 transfers between Minnesota and the adjoining state, and provisions of paragraph (a)
18.30 and subdivision 9 shall not apply.

18.31 Sec. 15. Minnesota Statutes 2006, section 124D.04, subdivision 8, is amended to read:

18.32 Subd. 8. **Effective if reciprocal.** This section is effective with respect to ~~South~~
18.33 ~~Dakota upon enactment of provisions by South Dakota that the commissioner determines~~

19.1 ~~are essentially similar to the provisions for Minnesota pupils in this section. This section~~
19.2 ~~is effective with respect to any other~~ bordering state upon enactment of provisions by the
19.3 bordering state that the commissioner determines are essentially similar to the provisions
19.4 for Minnesota pupils in this section.

19.5 Sec. 16. Minnesota Statutes 2006, section 124D.04, subdivision 9, is amended to read:

19.6 Subd. 9. **Appeal to the commissioner.** If a Minnesota school district cannot agree
19.7 with an adjoining state on a tuition rate for a Minnesota student attending school in that
19.8 state and that state has met the requirements in subdivision 8, then the student's parent or
19.9 guardian may request that the commissioner ~~agree on~~ set a tuition rate for the student. The
19.10 Minnesota district must pay the amount of tuition the commissioner ~~agrees upon~~ sets.

19.11 Sec. 17. **[124D.041] RECIPROCITY WITH ADJOINING STATES.**

19.12 Subdivision 1. **Agreements.** (a) The commissioner may enter into an agreement
19.13 with the designated authority from an adjoining state to establish an enrollment options
19.14 program between Minnesota and the adjoining state. Any agreement entered into pursuant
19.15 to this section must specify the following:

19.16 (1) for students who are not residents of Minnesota, the enrollment options program
19.17 applies only to a student whose resident school district borders Minnesota;

19.18 (2) the commissioner must negotiate equal, reciprocal rates with the designated
19.19 authority from the adjoining state;

19.20 (3) if the adjoining state sends more students to Minnesota than Minnesota sends to
19.21 the adjoining state, the adjoining state must pay the state of Minnesota the rate agreed
19.22 upon under clause (2) for the excess number of students sent to Minnesota;

19.23 (4) if Minnesota sends more students to the adjoining state than the adjoining state
19.24 sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed
19.25 upon under clause (2) for the excess number of students sent to the adjoining state;

19.26 (5) the application procedures for the enrollment options program between
19.27 Minnesota and the adjoining state;

19.28 (6) the reasons for which an application for the enrollment options program between
19.29 Minnesota and the adjoining may be denied; and

19.30 (7) that a Minnesota school district is not responsible for transportation for any
19.31 resident student attending school in an adjoining state under the provisions of this section.
19.32 A Minnesota school district may, at its discretion, provide transportation services for
19.33 such a student.

20.1 (b) Any agreement entered into pursuant to this section may specify additional terms
20.2 relating to any student in need of special education and related services pursuant to chapter
20.3 125A. Any additional terms must apply equally to both states.

20.4 Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in
20.5 Minnesota pursuant to this section is included in the receiving school district's average
20.6 daily membership and pupil units according to section 126C.05 as if the student were
20.7 a resident of another Minnesota school district attending the receiving school district
20.8 under section 124D.03.

20.9 (b) Any Minnesota resident student enrolled in an adjoining state pursuant to this
20.10 section is included in the resident school district's average daily membership and pupil
20.11 units according to section 126C.05 as if the student were a resident of the district attending
20.12 another Minnesota school district under section 124D.03.

20.13 Subd. 3. **Procedures.** (a) The Department of Education must establish procedures
20.14 relating to the application process, the collection or payment of funds under the provisions
20.15 of any agreement established pursuant to this section, and the collection of data necessary
20.16 to implement any agreement established pursuant to this section.

20.17 (b) Notwithstanding sections 124D.04 and 124D.05, if an agreement is established
20.18 between Minnesota and an adjoining state pursuant to this section, the provisions of this
20.19 section and the agreement shall apply to all enrollment transfers between Minnesota and
20.20 the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary,
20.21 including provisions relating to tuition payments, shall not apply.

20.22 (c) Notwithstanding paragraph (a), any payments to adjoining states under this
20.23 section shall be made according to section 127A.45, subdivision 16.

20.24 (d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b),
20.25 and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not
20.26 apply to enrollment transfers between Minnesota and a school district in an adjoining state
20.27 enrolling fewer than 150 pupils that is exempted from participation in the program under
20.28 the laws of the adjoining state.

20.29 Sec. 18. Minnesota Statutes 2006, section 124D.05, is amended by adding a
20.30 subdivision to read:

20.31 Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement
20.32 is reached between the state of Minnesota and an adjoining state pursuant to section
20.33 124D.041, the provisions of section 124D.041 and the agreement shall apply to all
20.34 enrollment transfers between Minnesota and the adjoining state, and provisions of

21.1 subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments,
21.2 shall not apply.

21.3 Sec. 19. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

21.4 Subd. 20. **Leave to teach in a charter school.** If a teacher employed by a district
21.5 makes a written request for an extended leave of absence to teach at a charter school,
21.6 the district must grant the leave. The district must grant a leave not to exceed a total of
21.7 five years. Any request to extend the leave shall be granted only at the discretion of the
21.8 school board. The district may require that the request for a leave or extension of leave
21.9 be made ~~up to 90 days before the teacher would otherwise have to report for duty before~~
21.10 February 1 in the school year preceding the school year in which the teacher wishes to
21.11 return, or before February 1 of the calendar year in which the teacher's leave is scheduled
21.12 to terminate. Except as otherwise provided in this subdivision and except for section
21.13 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not
21.14 limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

21.15 During a leave, the teacher may continue to aggregate benefits and credits in the
21.16 Teachers' Retirement Association account by paying both the employer and employee
21.17 contributions based upon the annual salary of the teacher for the last full pay period before
21.18 the leave began. The retirement association may impose reasonable requirements to
21.19 efficiently administer this subdivision.

21.20 **EFFECTIVE DATE.** This section is effective for the 2008-2009 school year and
21.21 later.

21.22 Sec. 20. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1,
21.23 is amended to read:

21.24 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic
21.25 education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education
21.26 aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during
21.27 the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or
21.28 section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year
21.29 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal
21.30 year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52,
21.31 subdivision 3. The state total adult basic education aid for fiscal year 2008 equals
21.32 \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of
21.33 adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The
21.34 state total adult basic education aid for later fiscal years equals:

22.1 (1) the state total adult basic education aid for the preceding fiscal year plus any
22.2 amount that is not paid for during the previous fiscal year, as a result of adjustments under
22.3 subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

22.4 (2) the lesser of:

22.5 (i) 1.03; or

22.6 (ii) ~~the greater of 1.00 or the ratio of the state total contact hours in the first prior~~
22.7 ~~program year to the state total contact hours in the second prior program year~~ the average
22.8 growth in state total contact hours over the prior ten program years.

22.9 Beginning in fiscal year 2002, two percent of the state total adult basic education
22.10 aid must be set aside for adult basic education supplemental service grants under section
22.11 124D.522.

22.12 (b) The state total adult basic education aid, excluding basic population aid, equals
22.13 the difference between the amount computed in paragraph (a), and the state total basic
22.14 population aid under subdivision 2.

22.15 Sec. 21. Minnesota Statutes 2006, section 124D.55, is amended to read:

22.16 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

22.17 The commissioner shall pay 60 percent of the fee that is charged to an eligible
22.18 individual for the full battery of a general education development (GED) test, but not
22.19 more than ~~\$20~~ \$40 for an eligible individual.

22.20 Sec. 22. Minnesota Statutes 2006, section 125A.65, is amended by adding a
22.21 subdivision to read:

22.22 Subd. 11. **Third-party reimbursement.** The Minnesota State Academies must seek
22.23 reimbursement under section 125A.21 from third parties for the cost of services provided
22.24 by the Minnesota State Academies whenever the services provided are otherwise covered
22.25 by a child's public or private health plan.

22.26 **EFFECTIVE DATE.** This section is effective the day following final enactment
22.27 for revenue in fiscal years 2008 and later.

22.28 Sec. 23. Minnesota Statutes 2006, section 125A.76, is amended by adding a
22.29 subdivision to read:

22.30 Subd. 4a. **Adjustments for tuition reciprocity with adjoining states.** (a) If an
22.31 agreement is reached between the state of Minnesota and an adjoining state pursuant to
22.32 section 124D.041 that requires a special education tuition payment from the state of

23.1 Minnesota to the adjoining state, the tuition payment shall be made from the special
23.2 education aid appropriation for that year, and the state total special education aid under
23.3 subdivision 4 shall be reduced by the amount of the payment.

23.4 (b) If an agreement is reached between the state of Minnesota and an adjoining state
23.5 pursuant to section 124D.041 that requires a special education tuition payment from
23.6 an adjoining state to the state of Minnesota, the special education aid appropriation for
23.7 that year and the state total special education aid under subdivision 4 shall be increased
23.8 by the amount of the payment.

23.9 (c) If an agreement is reached between the state of Minnesota and an adjoining state
23.10 pursuant to section 124D.041 that requires special education tuition payments to be made
23.11 between the two states and not between districts in the two states, the special education aid
23.12 for a Minnesota school district serving a student with a disability from the adjoining state
23.13 shall be calculated according to section 127A.47, subdivision 7, except that no reduction
23.14 shall be made in the special education aid paid to the resident district.

23.15 Sec. 24. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

23.16 Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the
23.17 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil
23.18 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002
23.19 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference
23.20 between: (1) the lesser of the district's general education revenue per adjusted marginal
23.21 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district
23.22 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according
23.23 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year
23.24 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil
23.25 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

23.26 (b) A district's transition revenue for fiscal year years 2006 and later through 2009
23.27 equals the sum of the product of the district's transition allowance times the district's
23.28 adjusted marginal cost pupil units plus the district's transition for prekindergarten revenue
23.29 under subdivision 31a.

23.30 (c) A district's transition revenue for fiscal year 2010 and later equals the sum of
23.31 the product of the district's transition allowance times the district's adjusted marginal cost
23.32 pupil units plus the district's transition for prekindergarten revenue under subdivision 31a
23.33 plus the district's transition for tuition reciprocity revenue under subdivision 31c.

24.1 Sec. 25. Minnesota Statutes 2006, section 126C.10, is amended by adding a
24.2 subdivision to read:

24.3 Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a
24.4 tuition reciprocity agreement with an adjoining state is in effect under section 124D.041
24.5 and later, a school district's transition for tuition reciprocity revenue equals the greater of
24.6 zero or the difference between the sum of the general education revenue and net tuition
24.7 revenue the district would have received for pupils enrolled under section 124D.041 for
24.8 the first year the agreement is in effect if the agreement had not been in effect, and the
24.9 sum of the district's general education revenue and net tuition revenue for the first year
24.10 the agreement is in effect.

24.11 Sec. 26. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

24.12 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,
24.13 subdivision 1, may be increased in the amount approved by the voters of the district at a
24.14 referendum called for the purpose. The referendum may be called by the board or shall be
24.15 called by the board upon written petition of qualified voters of the district. The referendum
24.16 must be conducted one or two calendar years before the increased levy authority, if
24.17 approved, first becomes payable. Only one election to approve an increase may be held
24.18 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the
24.19 referendum must be held on the first Tuesday after the first Monday in November. The
24.20 ballot must state the maximum amount of the increased revenue per resident marginal cost
24.21 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue
24.22 per resident marginal cost pupil unit that differs from year to year over the number of
24.23 years for which the increased revenue is authorized or may state that the amount shall
24.24 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the
24.25 annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may
24.26 state that existing referendum levy authority is expiring. In this case, the ballot may also
24.27 compare the proposed levy authority to the existing expiring levy authority, and express
24.28 the proposed increase as the amount, if any, over the expiring referendum levy authority.
24.29 The ballot must designate the specific number of years, not to exceed ten, for which the
24.30 referendum authorization applies. The ballot, including a ballot on the question to revoke
24.31 or reduce the increased revenue amount under paragraph (c), must abbreviate the term
24.32 "per resident marginal cost pupil unit" as "per pupil." The notice required under section
24.33 275.60 may be modified to read, in cases of renewing existing levies:

24.34 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE VOTING~~
24.35 ~~FOR A PROPERTY TAX INCREASE~~ ARE RENEWING AN EXISTING

25.1 PROPERTY TAX REFERENDUM. YOU ARE NOT CHANGING YOUR
25.2 OPERATING REFERENDUM FROM ITS LEVEL IN THE PREVIOUS YEAR."

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

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

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

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

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

25.28 The notice must include the following statement: "Passage of this referendum will
25.29 result in an increase in your property taxes." However, in cases of renewing existing
25.30 levies, the notice may include the following statement: "Passage of this referendum may
25.31 result in ~~an increase~~ a change in your property taxes."

25.32 (c) A referendum on the question of revoking or reducing the increased revenue
25.33 amount authorized pursuant to paragraph (a) may be called by the board and shall be called
25.34 by the board upon the written petition of qualified voters of the district. A referendum to
25.35 revoke or reduce the revenue amount must state the amount per resident marginal cost
25.36 pupil unit by which the authority is to be reduced. Revenue authority approved by the

26.1 voters of the district pursuant to paragraph (a) must be available to the school district at
26.2 least once before it is subject to a referendum on its revocation or reduction for subsequent
26.3 years. Only one revocation or reduction referendum may be held to revoke or reduce
26.4 referendum revenue for any specific year and for years thereafter.

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

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

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

26.17 **EFFECTIVE DATE.** This section is effective for elections conducted on or after
26.18 July 1, 2008.

26.19 Sec. 27. Minnesota Statutes 2006, section 126C.21, subdivision 1, is amended to read:

26.20 Subdivision 1. **Permanent school fund.** ~~The~~ An amount of money equal to \$36
26.21 times the district's pupils in average daily membership received by a district as income
26.22 from the permanent school fund for any year must be deducted from the general education
26.23 aid earned by the district for the same year or from aid earned from other state sources.

26.24 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010.

26.25 Sec. 28. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is
26.26 amended to read:

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

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

27.1 Sec. 29. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

27.2 **126C.44 SAFE SCHOOLS LEVY.**

27.3 (a) Each district may make a levy on all taxable property located within the district
27.4 for the purposes specified in this section. The maximum amount which may be levied
27.5 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted
27.6 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and
27.7 used for directly funding the following purposes or for reimbursing the cities and counties
27.8 who contract with the district for the following purposes: (1) to pay the costs incurred for
27.9 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in
27.10 services in the district's schools; (2) to pay the costs for a drug abuse prevention program
27.11 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;
27.12 (3) to pay the costs for a gang resistance education training curriculum in the district's
27.13 schools; (4) to pay the costs for security in the district's schools and on school property; (5)
27.14 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary
27.15 opt-in suicide prevention tools, and violence prevention measures taken by the school
27.16 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed
27.17 school social workers, licensed school psychologists, and licensed alcohol and chemical
27.18 dependency counselors to help provide early responses to problems. For expenditures
27.19 under clause (1), the district must initially attempt to contract for services to be provided
27.20 by peace officers or sheriffs with the police department of each city or the sheriff's
27.21 department of the county within the district containing the school receiving the services. If
27.22 a local police department or a county sheriff's department does not wish to provide the
27.23 necessary services, the district may contract for these services with any other police or
27.24 sheriff's department located entirely or partially within the school district's boundaries.

27.25 (b) A school district that is a member of an intermediate school district may
27.26 include in its authority under this section the costs associated with safe schools activities
27.27 authorized under paragraph (a) for intermediate school district programs. This authority
27.28 must not exceed \$10 times the adjusted marginal cost pupil units of the member districts.
27.29 This authority is in addition to any other authority authorized under this section. Revenue
27.30 raised under this paragraph must be transferred to the intermediate school district.

27.31 (c) ~~If~~ A school district ~~spends~~ must set aside at least \$3 per adjusted marginal cost
27.32 pupil unit of the safe schools levy proceeds for the purposes authorized under paragraph
27.33 (a), clause (6); The district must annually certify that its total spending on services
27.34 provided by the employees listed in paragraph (a), clause (6), is not less than the sum of
27.35 its expenditures for these purposes, excluding amounts spent under this section, in the
27.36 previous year plus the amount spent under this section.

28.1 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010.

28.2 Sec. 30. Minnesota Statutes 2006, section 126C.51, is amended to read:

28.3 **126C.51 APPLICATION OF LIMITING TAX LEGISLATION.**

28.4 Notwithstanding the provisions of section 471.69 or 471.75, or of any other
28.5 provision of law which by per capita limitation, local tax rate limitation, or otherwise,
28.6 limits the power of a district to incur any debt or to issue any warrant or order, a school
28.7 district or intermediate school district has the powers in sections 126C.50 to 126C.56
28.8 specifically conferred upon it and all powers incident and necessary to carrying out the
28.9 purposes of sections 126C.50 to 126C.56.

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

28.11 Sec. 31. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

28.12 Subd. 2. **Limitations.** The board of any school district may also borrow money
28.13 in the manner and subject to the limitations set forth in sections 126C.50 to 126C.56 in
28.14 anticipation of receipt of state aids for schools as defined in Minnesota Statutes and of
28.15 federal school aids to be distributed by or through the department. The aggregate of such
28.16 borrowings under this subdivision shall never exceed 75 percent of such aids which are
28.17 receivable by said school district in the school fiscal year (~~from July 1 to June 30~~) in which
28.18 the money is borrowed, as estimated and certified by the commissioner.

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

28.20 Sec. 32. Minnesota Statutes 2006, section 126C.52, is amended by adding a
28.21 subdivision to read:

28.22 Subd. 3. **Intermediate school districts.** (a) The board of an intermediate school
28.23 district may borrow money in the manner and subject to the limitations set forth in
28.24 sections 126C.50 to 126C.56 in anticipation of the receipt of:

28.25 (1) state aids for schools as defined in Minnesota Statutes;

28.26 (2) federal school aids to be distributed by or through the department; and

28.27 (3) membership fees and tuition payments from its member school districts.

28.28 The aggregate of such borrowings under this subdivision shall never exceed 75
28.29 percent of such aids, fees, and tuition payments which are receivable by the intermediate
28.30 school district in the fiscal year in which the money is borrowed, as estimated and certified
28.31 by the commissioner.

29.1 (b) The board of an intermediate school district may, upon receipt of a written
29.2 resolution by each of its member school districts, pledge the member district's full faith
29.3 and credit and unlimited taxing powers to repay its pro rata share of any certificates issued
29.4 or the amount paid by the state under section 126C.55, subdivision 2, plus interest, if the
29.5 revenues specified in paragraph (a) and any other revenues of the intermediate school
29.6 district are insufficient to do so.

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

29.8 Sec. 33. Minnesota Statutes 2006, section 126C.53, is amended to read:

29.9 **126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF**
29.10 **INDEBTEDNESS.**

29.11 The board of a school district or intermediate school district may authorize and
29.12 effect such borrowing, and may issue such certificates of indebtedness upon passage of
29.13 a resolution specifying the amount and purposes for which it deems such borrowing is
29.14 necessary. The resolution must be adopted by a vote of at least two-thirds of its members.
29.15 The board must fix the amount, date, maturity, form, denomination, and other details of
29.16 the certificates of indebtedness, not inconsistent with this chapter. The board must fix the
29.17 date and place for receipt of bids for the purchase of the certificates when bids are required
29.18 and direct the clerk to give notice of the date and place for bidding.

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

29.20 Sec. 34. Minnesota Statutes 2006, section 126C.55, is amended to read:

29.21 **126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL**
29.22 **DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.**

29.23 Subdivision 1. **Definitions.** For the purposes of this section, the term "debt
29.24 obligation" means:

- 29.25 (1) a ~~tax or aid anticipation~~ certificate of indebtedness issued under section 126C.52;
29.26 (2) a certificate of participation issued under section 126C.40, subdivision 6; or
29.27 (3) a general obligation bond.

29.28 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or
29.29 intermediate school district believes that it may be unable to make a principal or interest
29.30 payment on any outstanding debt obligation on the date that payment is due, it must
29.31 notify the commissioner as soon as possible, but not less than 15 working days before the
29.32 date that principal or interest payment is due. The notice must include the name of the
29.33 school district or intermediate school district, an identification of the debt obligation issue

30.1 in question, the date the payment is due, the amount of principal and interest due on the
30.2 payment date, the amount of principal or interest that the school district or intermediate
30.3 school district will be unable to repay on that date, the paying agent for the debt obligation,
30.4 the wire transfer instructions to transfer funds to that paying agent, and an indication as to
30.5 whether a payment is being requested by the school district or intermediate school district
30.6 under this section. If a paying agent becomes aware of a potential default, it shall inform
30.7 the commissioner of that fact. After receipt of a notice which requests a payment under
30.8 this section, after consultation with the school district or intermediate school district and
30.9 the paying agent, and after verification of the accuracy of the information provided, the
30.10 commissioner shall notify the commissioner of finance of the potential default. The notice
30.11 must include a final figure as to the amount due that the school district or intermediate
30.12 school district will be unable to repay on the date due.

30.13 (b) Except as provided in subdivision 9, upon receipt of this notice from the
30.14 commissioner, the commissioner of finance shall issue a warrant and authorize the
30.15 commissioner of education to pay to the paying agent for the debt obligation the specified
30.16 amount on or before the date due. The amounts needed for the purposes of this subdivision
30.17 are annually appropriated to the department from the state general fund.

30.18 (c) The Departments of Education and Finance must jointly develop detailed
30.19 procedures for school districts and intermediate school districts to notify the state that
30.20 they have obligated themselves to be bound by the provisions of this section, procedures
30.21 for school districts or intermediate school districts and paying agents to notify the state
30.22 of potential defaults and to request state payment under this section, and procedures
30.23 for the state to expedite payments to prevent defaults. The procedures are not subject
30.24 to chapter 14.

30.25 Subd. 3. **School district bound; interest rate on state paid amount.** If, at the
30.26 request of a school district or intermediate school district, the state has paid part or all of
30.27 the principal or interest due on a district's debt obligation on a specific date, the school
30.28 district or the intermediate school district is bound by all provisions of this section and the
30.29 amount paid shall bear taxable interest from the date paid until the date of repayment at
30.30 the invested cash rate as it is certified by the commissioner of finance. Interest shall only
30.31 accrue on the amounts paid and outstanding less the reduction in aid under subdivision 4
30.32 and other payments received from the school district or intermediate school district.

30.33 Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school
30.34 district or intermediate school district, the state has paid part or all of the principal or
30.35 interest due on a district's debt obligation on a specific date, the pledge of the full faith
30.36 and credit and unlimited taxing powers of the school district or the intermediate school

31.1 district to repay the principal and interest due on those debt obligations shall also, without
31.2 an election or the requirement of a further authorization, become a pledge of the full faith
31.3 and credit and unlimited taxing powers of the school district or the intermediate school
31.4 district to repay to the state the amount paid, with interest. Amounts paid by the state must
31.5 be repaid in the order in which the state payments were made.

31.6 Subd. 4a. **Aid reduction for repayment.** (a) Except as provided in this subdivision,
31.7 the state must reduce the state aid payable to the school district or intermediate school
31.8 district under this chapter and chapters 122A, 123A, 123B, 124D, 125A, 126C, and 273
31.9 by the amount paid by the state under this section on behalf of the district, plus the interest
31.10 due on it, and the amount reduced must revert from the appropriate account to the state
31.11 general fund. Payments from the school district endowment fund or any federal aid
31.12 payments shall not be reduced.

31.13 (b) For an intermediate school district, the state aid payable to the intermediate
31.14 school district must first be reduced, before any reduction is made to the state aids payable
31.15 to the member districts. If the state aid payable to the intermediate school district is
31.16 not sufficient to repay the state, state aid payable to member districts may be reduced
31.17 proportionately based on the ratio of each member district's adjusted net tax capacity to
31.18 the total adjusted net tax capacity of all member districts.

31.19 (c) If, after review of the financial situation of the school district or intermediate
31.20 school district, the commissioner advises the commissioner of finance that a total reduction
31.21 of aids would cause an undue hardship on or an undue disruption of the educational
31.22 program of the district, the commissioner, with the approval of the commissioner of
31.23 finance, may establish a different schedule for reduction of aids to repay the state. The
31.24 amount of aids to be reduced is decreased by any amounts repaid to the state by the district
31.25 from other revenue sources.

31.26 Subd. 6. **Tax levy for repayment.** (a) With the approval of the commissioner, a
31.27 district may levy in the year the state makes a payment under this section an amount up to
31.28 the amount necessary to provide funds for the repayment of the amount paid by the state
31.29 plus interest through the date of estimated repayment by the district. The proceeds of this
31.30 levy may be used only for this purpose unless they are in excess of the amount actually
31.31 due, in which case the excess shall be used to repay other state payments made under this
31.32 section or shall be deposited in the debt redemption fund of the school district. This levy
31.33 shall be an increase in the levy limits of the district for purposes of section 275.065,
31.34 subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by
31.35 the amount levied. This levy by the district is not eligible for debt service equalization
31.36 under section 123B.53.

32.1 (b) If the state is not repaid in full for a payment made under this section by
32.2 November 30 of the calendar year following the year in which the state makes the
32.3 payment, the commissioner shall require the district to certify a property tax levy in an
32.4 amount up to the amount necessary to provide funds for repayment of the amount paid by
32.5 the state plus interest through the date of estimated repayment by the school district. To
32.6 prevent undue hardship, the commissioner may allow the district to certify the levy over a
32.7 five-year period. The proceeds of the levy may be used only for this purpose unless they
32.8 are in excess of the amount actually due, in which case the excess shall be used to repay
32.9 other state payments made under this section or shall be deposited in the debt redemption
32.10 fund of the district. This levy shall be an increase in the levy limits of the school district
32.11 for purposes of section 275.065, subdivision 6. If the commissioner orders the district
32.12 to levy, the amount of aids reduced to repay the state shall be decreased by the amount
32.13 levied. This levy by the district is not eligible for debt service equalization under section
32.14 123B.53 or any successor provision. A levy under this subdivision must be explained as a
32.15 specific increase at the meeting required under section 275.065, subdivision 6.

32.16 (c) For an intermediate school district, a levy made by a member school district
32.17 under paragraph (a) or (b) to repay its pro rata share must be spread by the commissioner
32.18 as a tax rate based on the total adjusted net tax capacity of the member school districts. The
32.19 proceeds of the levy must be remitted by the member school district to the intermediate
32.20 school district and must be used by the intermediate school district only to repay the state
32.21 amounts owed. Any amount in excess of the amount owed to the state must be repaid
32.22 to the member school districts and the commissioner shall adjust each member school
32.23 district's property tax levy in the next year.

32.24 **Subd. 7. Election as to mandatory application.** A school district or intermediate
32.25 school district may covenant and obligate itself, prior to the issuance of an issue of debt
32.26 obligations, to notify the commissioner of a potential default and to use the provisions of
32.27 this section to guarantee payment of the principal and interest on those debt obligations
32.28 when due. If the school district or intermediate school district obligates itself to be bound
32.29 by this section, it must covenant in the resolution that authorizes the issuance of the debt
32.30 obligations to deposit with the paying agent three business days prior to the date on which
32.31 a payment is due an amount sufficient to make that payment or to notify the commissioner
32.32 under subdivision 1 that it will be unable to make all or a portion of that payment. A school
32.33 district or intermediate school district that has obligated itself must include a provision in
32.34 its agreement with the paying agent for that issue that requires the paying agent to inform
32.35 the commissioner if it becomes aware of a potential default in the payment of principal or
32.36 interest on that issue or if, on the day two business days prior to the date a payment is due

33.1 on that issue, there are insufficient funds to make the payment on deposit with the paying
33.2 agent. Funds invested in a refunding escrow account established under section 475.67 that
33.3 are to become available to the paying agent on a principal or interest payment date are
33.4 deemed to be on deposit with the paying agent three business days before the payment
33.5 date. If a school district or intermediate school district either covenants to be bound by
33.6 this section or accepts state payments under this section to prevent a default of a particular
33.7 issue of debt obligations, the provisions of this section shall be binding as to that issue
33.8 as long as any debt obligation of that issue remain outstanding. If the provisions of this
33.9 section are or become binding for more than one issue of debt obligations and a school
33.10 district or intermediate school district is unable to make payments on one or more of those
33.11 issues, the district must continue to make payments on the remaining issues.

33.12 Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments
33.13 on behalf of a school district or intermediate school district under this section or the
33.14 district defaults in the payment of principal or interest on an outstanding debt obligation, it
33.15 must submit a plan to the commissioner for approval specifying the measures it intends
33.16 to implement to resolve the issues which led to its inability to make the payment and
33.17 to prevent further defaults. The department must provide technical assistance to the
33.18 school district or intermediate school district in preparing its plan. If the commissioner
33.19 determines that a district's plan is not adequate, the commissioner shall notify the school
33.20 district or intermediate school district that the plan has been disapproved, the reasons for
33.21 the disapproval, and that the state shall not make future payments under this section for
33.22 debt obligations issued after the date specified in that notice until its plan is approved.
33.23 The commissioner may also notify the school district or intermediate school district that
33.24 until its plan is approved, other aids due the district will be withheld after a date specified
33.25 in the notice.

33.26 Subd. 9. **State bond rating.** If the commissioner of finance determines that the
33.27 credit rating of the state would be adversely affected thereby, the commissioner of finance
33.28 shall not issue warrants under subdivision 2 for the payment of principal or interest on any
33.29 debt obligations for which a district did not, prior to their issuance, obligate itself to be
33.30 bound by the provisions of this section.

33.31 Subd. 10. **Continuing disclosure agreements.** The commissioner of finance
33.32 may enter into written agreements or contracts relating to the continuing disclosure of
33.33 information needed to facilitate the ability of school districts or intermediate school
33.34 districts to issue debt obligations according to federal securities laws, rules, and
33.35 regulations, including securities and exchange commission rules and regulations, section

34.1 240.15c2-12. Such agreements or contracts may be in any form the commissioner of
34.2 finance deems reasonable and in the state's best interests.

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

34.4 Sec. 35. **[127A.331] SCHOOL ENDOWMENT FUND; USE OF REVENUE.**

34.5 A school that receives school endowment fund revenue under section 127A.33
34.6 in excess of \$36 per pupil in average daily membership may use that revenue only for
34.7 the following purposes:

34.8 (1) to purchase or lease computers and related materials, copying machines,
34.9 telecommunications equipment, and other noninstructional equipment;

34.10 (2) to purchase or lease assistive technology or equipment for instructional programs;

34.11 (3) to purchase new and replacement library media resources or technology;

34.12 (4) to pay for ongoing or recurring telecommunications/Internet access costs
34.13 associated with Internet access, data lines, and video links; and

34.14 (5) to pay for service provider installation fees for installation of new
34.15 telecommunications lines or increased bandwidth.

34.16 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2010.

34.17 Sec. 36. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

34.18 Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current
34.19 year aid payment percentage of the amounts under section 123A.26, subdivision 3 and
34.20 section 124D.041, shall be paid in equal installments on August 30, December 30, and
34.21 March 30, with a final adjustment payment on October 30 of the next fiscal year of the
34.22 remaining amount.

34.23 Sec. 37. **[145.986] STATEWIDE HEALTH IMPROVEMENT PROGRAM.**

34.24 Subdivision 1. **Goals.** The initial goals of the public health improvement program
34.25 are to reduce the percentage of Minnesotans who are obese or overweight to less than half
34.26 by the year 2020 and to reduce tobacco smoking by two percent annually starting in 2011.
34.27 By 2011, and considering available funding, the commissioner of health, in consultation
34.28 with the State Community Health Advisory Committee established in section 145A.10,
34.29 subdivision 10, and other stakeholders, may make recommendations as to future goals
34.30 related to alcohol use and illegal drug use.

34.31 Subd. 2. **Funding local communities.** Beginning January 1, 2009, the
34.32 commissioner of health must provide funding to community health boards to convene,

35.1 coordinate, and lead locally developed programs targeted at achieving measurable health
 35.2 improvement goals. Funding to each community health board will be distributed based on
 35.3 a per capita formula, with a base allocation of \$50,000 to each community health board
 35.4 that receives funding. By January 15, 2011, the commissioner of health must recommend
 35.5 whether additional funding should be distributed to community health boards based on
 35.6 health disparities demonstrated in the populations served.

35.7 Subd. 3. **Outcomes.** (a) The commissioner of health must set performance measures
 35.8 and annually review the progress of local communities in improving the performance
 35.9 measures. The commissioner may provide technical assistance and corrective action plans
 35.10 to ensure that local communities are making sufficient progress.

35.11 (b) The commissioner must measure current public health data, using existing
 35.12 measures and data collection systems when available, to determine baseline data against
 35.13 which progress shall be monitored.

35.14 Subd. 4. **Media campaign.** The commissioner of health must conduct a statewide
 35.15 marketing campaign using public media to reinforce local efforts at addressing health
 35.16 improvement goals. The commissioner must develop the statewide campaigns and
 35.17 determine the timing of these campaigns in consultation with local public health
 35.18 representatives.

35.19 Sec. 38. Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to
 35.20 read:

35.21 Subd. 13. **Preadvanced placement, advanced placement, international**
 35.22 **baccalaureate, and concurrent enrollment programs.** For preadvanced placement,
 35.23 advanced placement, international baccalaureate, and concurrent enrollment programs
 35.24 under Minnesota Statutes, sections 120B.132 and 124D.091:

35.25 \$ 6,500,000 2008

35.26 \$ 6,500,000 2009

35.27 Of this amount, \$2,500,000 each year is for concurrent enrollment program aid
 35.28 under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the
 35.29 commissioner must proportionately reduce the aid payment to each district. Any balance
 35.30 in the first year does not cancel but is available in the second year.

35.31 The base appropriation for fiscal year 2010 and later is \$2,000,000.

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

35.33 Sec. 39. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to
 35.34 read:

36.1 Subd. 2. **Report.** (a) The task force must submit to the education policy and finance
 36.2 committees of the legislature by February 15, ~~2008~~ 2009, a report that identifies and
 36.3 clearly and concisely explains each provision in state law or rule that exceeds ~~or expands~~
 36.4 ~~upon~~ a minimum federal requirement contained in law or regulation for providing special
 36.5 education programs and services to eligible students. The report also must recommend
 36.6 which state ~~provisions~~ statutes and rules that exceed ~~or expand upon~~ a minimum federal
 36.7 requirement may be amended to conform with minimum federal requirements or made
 36.8 more effective as determined by a majority of the task force members. The task force must
 36.9 recommend rules governing the use of aversive and deprivation procedures by school
 36.10 district employees or persons under contract with a school district. The task force expires
 36.11 when it submits its report to the legislature.

36.12 (b) Consistent with subdivision 1, the Department of Education member of the
 36.13 task force representing regulators shall be replaced with a parent advocate selected by a
 36.14 statewide organization that advocates on behalf of families with children with disabilities.

36.15 (c) The Department of Education must provide technical assistance at the request of
 36.16 the task force.

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

36.18 Sec. 40. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to
 36.19 read:

36.20 Subd. 9. **Special Education Task Force.** For the task force to compare federal
 36.21 and state special education requirements:

36.22 \$ ~~20,000~~ 40,000 2008

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

36.24 This is a onetime appropriation.

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

36.26 Sec. 41. Laws 2007, chapter 146, article 5, section 13, subdivision 5, is amended to
 36.27 read:

36.28 Subd. 5. **Plainview-Elgin-Millville fund balance replacement aid.**

36.29 For fund balance replacement aid for Independent School District No. 2899,
 36.30 Plainview-Elgin-Millville:

36.31 \$ ~~17,000~~ 24,000 2008

36.32 This is a onetime appropriation.

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

37.2 Sec. 42. Laws 2007, chapter 146, article 7, section 4, is amended to read:

37.3 Sec. 4. **APPROPRIATIONS; DEPARTMENT OF EDUCATION.**

37.4 Subdivision 1. **Department of Education.** Unless otherwise indicated, the sums
37.5 indicated in this section are appropriated from the general fund to the Department of
37.6 Education for the fiscal years designated.

37.7 Subd. 2. **Department.** (a) For the Department of Education:

37.8 \$ 22,169,000 2008

37.9 ~~22,653,000~~

37.10 \$ 21,761,000 2009

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

37.12 (b) \$7,000 in fiscal year 2008 is for GRAD test rulemaking.

37.13 (c) \$7,000 in fiscal year 2008 is for rulemaking under section 3.

37.14 (d) \$40,000 each year is for an early hearing loss intervention coordinator under
37.15 Minnesota Statutes, section 125A.63, subdivision 5. If the department expends federal
37.16 funds to employ a hearing loss coordinator under Minnesota Statutes, section 125.63,
37.17 subdivision 5, then the appropriation under this paragraph is reallocated for purposes of
37.18 employing a world languages coordinator.

37.19 (e) \$260,000 each year is for the Minnesota Children's Museum.

37.20 (f) \$41,000 each year is for the Minnesota Academy of Science.

37.21 (g) \$619,000 in fiscal year 2008 and \$632,000 in fiscal year 2009 are for the Board
37.22 of Teaching.

37.23 (h) \$163,000 in fiscal year 2008 and \$171,000 in fiscal year 2009 are for the Board
37.24 of School Administrators.

37.25 (i) \$50,000 each year is for the Duluth Children's Museum.

37.26 (j) The expenditures of federal grants and aids as shown in the biennial budget
37.27 document and its supplements are approved and appropriated and shall be spent as
37.28 indicated.

37.29 (k) None of the amounts appropriated under this subdivision may be used for
37.30 Minnesota's Washington, D.C., office.

37.31 Sec. 43. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
37.32 1, is amended to read:

37.33 Subdivision 1. **Total Appropriation** **\$ ~~584,000~~ 298,000**

38.1 The appropriations in this section are from
 38.2 the general fund. The amounts that may be
 38.3 spent for each purpose are specified in the
 38.4 following subdivisions.

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

38.6 Sec. 44. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
 38.7 2, is amended to read:

38.8 **Subd. 2. Independent School District No. 239,**
 38.9 **Rushford-Peterson**

38.10 **(a) Flood Enrollment Impact Aid** 89,000

38.11 The commissioner of education shall pay to
 38.12 the school district flood enrollment impact
 38.13 aid equal to \$5,394 times the number of
 38.14 pupils lost as a result of the floods of August
 38.15 2007. The district must provide to the
 38.16 commissioner of education documentation
 38.17 of the number of pupils in average daily
 38.18 membership lost as a result of the flood.

38.19 **(b) Disaster Relief Facilities Grant** ~~250,000~~ 150,000

38.20 For facilities cleanup, repair, and replacement
 38.21 costs related to the floods of August 2007 not
 38.22 covered by the district's insurance settlement
 38.23 or through Federal Emergency Management
 38.24 Agency payments. The commissioner of
 38.25 education may request the school district
 38.26 to provide necessary information before
 38.27 awarding a grant.

38.28 **(c) Pupil Transportation Aid** 40,000

38.29 For increased costs associated with
 38.30 transporting students as a result of the floods
 38.31 of August 2007.

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

39.1 Sec. 45. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision
 39.2 6, is amended to read:

39.3 **Subd. 6. Disaster Relief Facilities Grants to**
 39.4 **Other Districts** ~~90,000~~ 14,000

39.5 For facilities cleanup, repair, and replacement
 39.6 costs related to the floods of August 2007 not
 39.7 covered by the district's insurance settlement
 39.8 or through Federal Emergency Management
 39.9 Agency payments. The commissioner of
 39.10 education may request the school district
 39.11 to provide necessary information before
 39.12 awarding a grant. School districts not
 39.13 included in subdivisions 2 to 5 must be given
 39.14 priority in the allocation of this appropriation.

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

39.16 Sec. 46. **FUND TRANSFERS.**

39.17 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,
 39.18 on June 30, 2008, a school district may transfer money from its reserved for operating
 39.19 capital account to its undesignated balance in the general fund. The amount transferred
 39.20 by any school district must not exceed \$51 times the district's adjusted marginal cost
 39.21 pupil units for fiscal year 2007. This transfer may occur only after the school board has
 39.22 adopted a written resolution stating the amount of the transfer and declaring that the
 39.23 school district's operating capital needs are being met.

39.24 Subd. 2. **Reserved for operating capital account transfer; Balaton school**
 39.25 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision
 39.26 1, on June 30, 2008, Independent School District No. 411, Balaton, may transfer up to
 39.27 \$70,000 from its reserved for operating capital account to its undesignated general fund
 39.28 balance.

39.29 Subd. 3. **Reserved for operating capital account transfer; East Central school**
 39.30 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision
 39.31 1, on June 30, 2008, Independent School District No. 2580, East Central, may transfer up
 39.32 to \$300,000 from its reserved for operating capital account to its undesignated general
 39.33 fund balance.

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

40.1 Sec. 47. **ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL**
40.2 **YEAR 2009 ONLY.**

40.3 A school district's general education revenue under Minnesota Statutes, section
40.4 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the
40.5 district's adjusted marginal cost pupil units for that year.

40.6 Sec. 48. **ALTERNATIVE TEACHER COMPENSATION AID.**

40.7 A school district that has not applied for alternative teacher compensation aid under
40.8 Minnesota Statutes, section 126C.10, subdivision 34, by March 20, 2008, is not eligible
40.9 for aid under that subdivision for fiscal year 2009. Nothing in this section limits a district's
40.10 eligibility for alternative teacher compensation aid in subsequent fiscal years.

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

40.12 Sec. 49. **IMPLEMENTING A STUDENT GROWTH-BASED VALUE-ADDED**
40.13 **SYSTEM.**

40.14 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
40.15 subdivision 3, paragraph (b), and to help parents and members of the public compare the
40.16 reported data, the commissioner must convene a group of expert school district assessment
40.17 and evaluation staff, including a recognized Minnesota assessment group composed
40.18 of assessment and evaluation directors and staff and researchers under Minnesota
40.19 Statutes, section 120B.299, subdivision 6, and interested stakeholders, including school
40.20 superintendents, school principals, school teachers, and parents to examine the actual
40.21 statewide performance of students using Minnesota's growth-based value-added system
40.22 and establish criteria for identifying schools and school districts that demonstrate
40.23 accelerated growth in order to advance educators' professional development and replicate
40.24 programs that succeed in meeting students' diverse learning needs.

40.25 (b) The commissioner must submit a written report to the education committees of
40.26 the house of representatives and senate by February 15, 2009, describing the criteria for
40.27 identifying schools and school districts that demonstrate accelerated growth. The group
40.28 convened under this section expires on June 30, 2009.

40.29 **EFFECTIVE DATE.** This section is effective the day following final enactment
40.30 and applies to school report cards in the 2008-2009 school year and later.

40.31 Sec. 50. **IMPLEMENTING RIGOROUS COURSEWORK MEASURES**
40.32 **RELATED TO STUDENT PERFORMANCE.**

41.1 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
41.2 subdivision 3, paragraph (c), clauses (1) and (2), and to help parents and members of the
41.3 public compare the reported data, the commissioner of education must convene a group of
41.4 recognized and qualified experts and interested stakeholders, including parents among
41.5 other stakeholders, to develop a model projecting anticipated performance of each high
41.6 school on preparation and rigorous coursework measures that compares the school with
41.7 similar schools. The model must use information about entering high school students
41.8 based on particular background characteristics that are predictive of differing rates of
41.9 college readiness. These characteristics include grade 8 achievement levels, high school
41.10 student mobility, high school student attendance, and the size of each entering ninth grade
41.11 class. The group of experts and stakeholders may examine other characteristics not part
41.12 of the prediction model including the nine student categories identified under the federal
41.13 2001 No Child Left Behind Act, and two student gender categories of male and female,
41.14 respectively. The commissioner annually must use the predicted level of entering students'
41.15 performance to provide a context for interpreting graduating students' actual performance.
41.16 The group convened under this section expires June 30, 2011.

41.17 (b) Consistent with paragraph (a), the commissioner also must propose an expanded
41.18 high school student data system to report preparation and rigorous coursework measures
41.19 and facilitate additional research on college readiness. This proposed data system must
41.20 expect school districts and charter schools to report data to the state education department
41.21 on each course a high school student takes and completes. The commissioner must link
41.22 the course data file to the department's existing student reporting system. The proposed
41.23 data system must enable the commissioner to prepare detailed reports, consistent with the
41.24 requirements in Minnesota Statutes, section 120B.35, subdivision 3, paragraph (d), clauses
41.25 (1) and (2), and support the development of a state P-16 longitudinal data system.

41.26 **EFFECTIVE DATE.** This section is effective the day following final enactment
41.27 and applies to school report cards beginning July 1, 2011.

41.28 **Sec. 51. IMPLEMENTING MEASURES FOR ASSESSING STUDENTS'**
41.29 **SELF-REPORTED SENSE OF SCHOOL SAFETY, ENGAGEMENT IN**
41.30 **SCHOOL, AND THE QUALITY OF RELATIONSHIPS WITH TEACHERS,**
41.31 **ADMINISTRATORS, AND OTHER STUDENTS.**

41.32 (a) To implement the requirements of Minnesota Statutes, section 120B.35,
41.33 subdivision 3, paragraph (d), and to help parents and members of the public compare the
41.34 reported data, the commissioner of education, in consultation with interested stakeholders,

42.1 including parents among other stakeholders, must convene a group of recognized and
42.2 qualified experts to:

42.3 (1) analyze the University of Minnesota student safety and engagement survey
42.4 instrument and other commonly recognized survey instruments to select the survey
42.5 instrument that best meets state accountability requirements;

42.6 (2) ensure that the selected survey instrument has sound psychometric properties and
42.7 is useful for intervention planning;

42.8 (3) determine at what grade levels to administer the survey instrument and ensure
42.9 that the survey instrument can be used at those grade levels; and

42.10 (4) determine through disaggregated use of survey indicators or other means how to
42.11 report "safety" in order to comply with federal law.

42.12 (b) The commissioner must submit a written report to the education committees of
42.13 the house of representatives and senate by February 15, 2009, presenting the experts'
42.14 responses to paragraph (a), clauses (1) to (4). The group convened under this section
42.15 expires June 30, 2009.

42.16 **EFFECTIVE DATE.** This section is effective the day following final enactment
42.17 and applies to school report cards beginning July 1, 2011.

42.18 **Sec. 52. GROWTH-BASED VALUE-ADDED SYSTEM.**

42.19 The growth-based value-added system used by the commissioner of education to
42.20 comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), must
42.21 be consistent with the growth-based value-added model contained in the document
42.22 labeled "Educational Report Card Growth Model" developed in partnership with the
42.23 Minnesota Department of Education. The document must be deposited with the
42.24 Office of the Revisor of Statutes, the Legislative Reference Library, and the State Law
42.25 Library, where the document shall be maintained until the commissioner implements the
42.26 growth-based value-added system under Minnesota Statutes, section 120B.35, subdivision
42.27 3, paragraph (b). The recognized Minnesota assessment group composed of assessment
42.28 and evaluation directors and staff and researchers under Minnesota Statutes, section
42.29 120B.299, subdivision 6, must determine whether the growth-based value-added model
42.30 the commissioner uses to comply with Minnesota Statutes, section 120B.35, subdivision
42.31 3, paragraph (b), is consistent with the deposited document and report its determination to
42.32 the education committees of the house of representatives and senate by February 15, 2009.

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

43.1 Sec. 53. **EXPEDITED PROCESS; SPECIFIC LEARNING DISABILITIES**
43.2 **RULE.**

43.3 The commissioner of education may use the expedited process under Minnesota
43.4 Statutes, section 14.389, to conform Minnesota Rules, part 3525.1341, to new federal
43.5 requirements on specific learning disabilities under Public Law 108-446, sections 602(30)
43.6 and 614(b)(6), the Individuals with Disabilities Education Improvement Act of 2004,
43.7 and its implementing regulations.

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

43.9 Sec. 54. **SCHOOL START DATE; 2009-2010 AND 2010-2011 SCHOOL YEARS.**

43.10 Notwithstanding Minnesota Statutes, section 120A.40, a school district may start an
43.11 elementary or secondary school year beginning August 31 in the 2009-2010 school year
43.12 and beginning August 30 in the 2010-2011 school year.

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

43.14 Sec. 55. **ENDING PARTICIPATION IN NO CHILD LEFT BEHIND.**

43.15 The commissioner of education must nullify and revoke by August 1, 2009, the
43.16 consolidated state plan that the state of Minnesota submitted to the federal Department
43.17 of Education on implementing the No Child Left Behind Act of 2001, and any other
43.18 Minnesota state contract or agreement entered into under the provisions of the No Child
43.19 Left Behind Act of 2001.

43.20 Sec. 56. **APPROPRIATIONS.**

43.21 Subdivision 1. **Department of Education.** The sums indicated in this section are
43.22 appropriated from the general fund, unless otherwise indicated, to the Department of
43.23 Education for the fiscal years designated.

43.24 Subd. 2. **Additional general education revenue.** For additional general education
43.25 aid according to section 43:

43.26 \$ 23,262,000 2009

43.27 This appropriation is in addition to any other appropriation for this purpose.

43.28 This 2009 appropriation includes \$0 for 2008 and \$18,926,000 for 2009.

43.29 Subd. 3. **Rushford-Peterson.** For a grant to Independent School District No.
43.30 239, Rushford-Peterson, for school district flood enrollment impact aid and aid for the
43.31 increased costs of transporting students as a result of the floods of August 2007.

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

45.3 ~~5,618,342,000~~
 45.4 \$ 5,600,647,000 2008
 45.5 ~~5,618,342,000~~
 45.6 \$ 5,649,098,000 2009

45.7 The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and
 45.8 ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

45.9 The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and
 45.10 ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

45.11 Sec. 2. Laws 2007, chapter 146, article 1, section 24, subdivision 3, is amended to read:

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

45.14 \$ ~~870,000~~ 861,000 2008

45.15 The 2008 appropriation includes ~~\$870,000~~ \$861,000 for 2007 and \$0 for 2008.

45.16 Sec. 3. Laws 2007, chapter 146, article 1, section 24, subdivision 4, is amended to read:

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

45.20 \$ ~~95,000~~ 48,000 2008
 45.21 \$ ~~97,000~~ 50,000 2009

45.22 Sec. 4. Laws 2007, chapter 146, article 1, section 24, subdivision 5, is amended to read:

45.23 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section
 45.24 127A.49:

45.25 ~~1,343,000~~
 45.26 \$ 1,333,000 2008
 45.27 ~~1,347,000~~
 45.28 \$ 1,629,000 2009

45.29 The 2008 appropriation includes \$76,000 for 2007 and ~~\$1,267,000~~ \$1,257,000
 45.30 for 2008.

45.31 The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~
 45.32 \$1,490,000 for 2009.

45.33 Sec. 5. Laws 2007, chapter 146, article 1, section 24, subdivision 6, is amended to read:

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

46.3 \$ ~~565,000~~ 240,000 2008
 46.4 \$ ~~212,000~~ 339,000 2009

46.5 The 2008 appropriation includes \$43,000 for 2007 and ~~\$522,000~~ \$197,000 for 2008.
 46.6 The 2009 appropriation includes ~~\$57,000~~ \$21,000 for 2008 and ~~\$155,000~~ \$318,000
 46.7 for 2009.

46.8 Sec. 6. Laws 2007, chapter 146, article 1, section 24, subdivision 7, is amended to read:

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

46.11 ~~16,290,000~~
 46.12 \$ 15,601,000 2008
 46.13 ~~16,620,000~~
 46.14 \$ 16,608,000 2009

46.15 The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~
 46.16 \$14,387,000 for 2008.

46.17 The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~
 46.18 \$15,010,000 for 2009.

46.19 Sec. 7. Laws 2007, chapter 146, article 1, section 24, subdivision 8, is amended to read:

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

46.22 ~~21,551,000~~
 46.23 \$ 20,755,000 2008
 46.24 ~~21,392,000~~
 46.25 \$ 21,007,000 2009

46.26 The 2008 appropriation includes \$2,124,000 for 2007 and ~~\$19,427,000~~ \$18,631,000
 46.27 for 2008.

46.28 The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~
 46.29 \$18,937,000 for 2009.

46.30 **B. EDUCATION EXCELLENCE**

46.31 Sec. 8. Laws 2007, chapter 146, article 2, section 46, subdivision 2, is amended to read:

46.32 Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota
 46.33 Statutes, section 124D.11, subdivision 4:

47.1 ~~31,875,000~~
 47.2 \$ 32,817,000 2008
 47.3 ~~36,193,000~~
 47.4 \$ 37,527,000 2009

47.5 The 2008 appropriation includes \$2,814,000 for 2007 and ~~\$29,061,000~~ \$30,003,000
 47.6 for 2008.

47.7 The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~
 47.8 \$34,194,000 for 2009.

47.9 Sec. 9. Laws 2007, chapter 146, article 2, section 46, subdivision 3, is amended to read:

47.10 Subd. 3. **Charter school startup cost aid.** For charter school startup cost aid
 47.11 under Minnesota Statutes, section 124D.11:

47.12 ~~1,896,000~~
 47.13 \$ 1,801,000 2008
 47.14 ~~2,161,000~~
 47.15 \$ 1,987,000 2009

47.16 The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~
 47.17 \$1,562,000 for 2008.

47.18 The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~
 47.19 \$1,814,000 for 2009.

47.20 Sec. 10. Laws 2007, chapter 146, article 2, section 46, subdivision 4, is amended to
 47.21 read:

47.22 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section
 47.23 124D.86, subdivision 5:

47.24 ~~61,769,000~~
 47.25 \$ 59,036,000 2008
 47.26 ~~61,000,000~~
 47.27 \$ 62,448,000 2009

47.28 The 2008 appropriation includes \$5,824,000 for 2007 and ~~\$55,945,000~~ \$53,212,000
 47.29 for 2008.

47.30 The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~
 47.31 \$56,536,000 for 2009.

47.32 Sec. 11. Laws 2007, chapter 146, article 2, section 46, subdivision 6, is amended to
 47.33 read:

48.1 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For
 48.2 interdistrict desegregation or integration transportation grants under Minnesota Statutes,
 48.3 section 124D.87:

48.4		9,639,000		
48.5	\$	<u>9,901,000</u>	.....	2008
48.6		11,567,000		
48.7	\$	<u>11,881,000</u>	.....	2009

48.8 Sec. 12. Laws 2007, chapter 146, article 2, section 46, subdivision 9, is amended to
 48.9 read:

48.10 Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota
 48.11 Statutes, section 124D.83:

48.12		2,238,000		
48.13	\$	<u>2,207,000</u>	.....	2008
48.14		2,422,000		
48.15	\$	<u>2,392,000</u>	.....	2009

48.16 The 2008 appropriation includes \$204,000 for 2007 and ~~\$2,034,000~~ \$2,003,000
 48.17 for 2008.

48.18 The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~
 48.19 \$2,170,000 for 2009.

48.20 **C. SPECIAL PROGRAMS**

48.21 Sec. 13. Laws 2007, chapter 146, article 3, section 24, subdivision 3, is amended to
 48.22 read:

48.23 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes,
 48.24 section 125A.75, subdivision 3, for children with disabilities placed in residential facilities
 48.25 within the district boundaries for whom no district of residence can be determined:

48.26		1,538,000		
48.27	\$	<u>2,086,000</u>	.....	2008
48.28		1,729,000		
48.29	\$	<u>2,282,000</u>	.....	2009

48.30 If the appropriation for either year is insufficient, the appropriation for the other
 48.31 year is available.

48.32 Sec. 14. Laws 2007, chapter 146, article 3, section 24, subdivision 4, is amended to
 48.33 read:

48.34 Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based
 48.35 services under Minnesota Statutes, section 125A.75, subdivision 1:

49.1 \$ ~~254,000~~ 207,000 2008

49.2 \$ ~~284,000~~ 227,000 2009

49.3 The 2008 appropriation includes \$22,000 for 2007 and ~~\$232,000~~ \$185,000 for 2008.

49.4 The 2009 appropriation includes ~~\$25,000~~ \$20,000 for 2008 and ~~\$259,000~~ \$207,000
49.5 for 2009.

49.6 **D. FACILITIES AND TECHNOLOGY**

49.7 Sec. 15. Laws 2007, chapter 146, article 4, section 16, subdivision 2, is amended to
49.8 read:

49.9 Subd. 2. **Health and safety revenue.** For health and safety aid according to
49.10 Minnesota Statutes, section 123B.57, subdivision 5:

49.11 \$ ~~190,000~~ 254,000 2008

49.12 \$ ~~179,000~~ 103,000 2009

49.13 The 2008 appropriation includes \$20,000 for 2007 and ~~\$170,000~~ \$234,000 for 2008.

49.14 The 2009 appropriation includes ~~\$18,000~~ \$26,000 for 2008 and ~~\$161,000~~ \$77,000
49.15 for 2009.

49.16 Sec. 16. Laws 2007, chapter 146, article 4, section 16, subdivision 3, is amended to
49.17 read:

49.18 Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota
49.19 Statutes, section 123B.53, subdivision 6:

49.20 ~~14,813,000~~
49.21 \$ 14,814,000 2008

49.22 ~~11,124,000~~
49.23 \$ 9,109,000 2009

49.24 The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~
49.25 \$13,048,000 for 2008.

49.26 The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~
49.27 \$7,660,000 for 2009.

49.28 Sec. 17. Laws 2007, chapter 146, article 4, section 16, subdivision 6, is amended to
49.29 read:

49.30 Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to
49.31 Minnesota Statutes, section 123B.591, subdivision 4:

50.1 ~~3,290,000~~
 50.2 \$ 3,232,000 2008
 50.3 ~~2,667,000~~
 50.4 \$ 2,627,000 2009

50.5 The 2008 appropriation includes \$0 for 2007 and ~~\$3,290,000~~ \$3,232,000 for 2008.

50.6 The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~
 50.7 \$2,268,000 for 2009.

50.8 Sec. 18. Laws 2007, chapter 146, article 4, section 16, subdivision 8, is amended to
 50.9 read:

50.10 Subd. 8. **School technology and operating capital aid grants.** For school
 50.11 technology and operating capital grants under section 11:

50.12 ~~38,145,000~~
 50.13 \$ 38,236,000 2008
 50.14 ~~52,676,000~~
 50.15 \$ 52,454,000 2009

50.16 This is a onetime appropriation.

50.17 **E. NUTRITION AND ACCOUNTING**

50.18 Sec. 19. Laws 2007, chapter 146, article 5, section 13, subdivision 2, is amended to
 50.19 read:

50.20 Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes,
 50.21 section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

50.22 ~~12,022,000~~
 50.23 \$ 12,094,000 2008
 50.24 ~~12,166,000~~
 50.25 \$ 12,394,000 2009

50.26 Sec. 20. Laws 2007, chapter 146, article 5, section 13, subdivision 3, is amended to
 50.27 read:

50.28 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school
 50.29 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and
 50.30 124D.118:

50.31 ~~5,460,000~~
 50.32 \$ 5,583,000 2008
 50.33 ~~5,695,000~~
 50.34 \$ 5,994,000 2009

51.1 Sec. 21. Laws 2007, chapter 146, article 5, section 13, subdivision 4, is amended to
 51.2 read:

51.3 Subd. 4. **Summer food service replacement aid.** For summer food service
 51.4 replacement aid under Minnesota Statutes, section 124D.119:

51.5 \$ ~~150,000~~ 127,000 2008
 51.6 \$ 150,000 2009

51.7 **F. EARLY CHILDHOOD AND ADULT PROGRAMS**

51.8 Sec. 22. Laws 2007, chapter 146, article 9, section 17, subdivision 2, is amended to
 51.9 read:

51.10 Subd. 2. **Early childhood family education aid.** For early childhood family
 51.11 education aid under Minnesota Statutes, section 124D.135:

51.12 ~~21,106,000~~
 51.13 \$ 21,092,000 2008
 51.14 ~~29,601,000~~
 51.15 \$ 29,324,000 2009

51.16 The 2008 appropriation includes \$1,796,000 for 2007 and ~~\$19,310,000~~ \$19,296,000
 51.17 for 2008.

51.18 The 2009 appropriation includes ~~\$2,145,000~~ \$2,144,000 for 2008 and ~~\$27,456,000~~
 51.19 \$27,180,000 for 2009.

51.20 Sec. 23. Laws 2007, chapter 146, article 9, section 17, subdivision 3, is amended to
 51.21 read:

51.22 Subd. 3. **School readiness.** For revenue for school readiness programs under
 51.23 Minnesota Statutes, sections 124D.15 and 124D.16:

51.24 ~~9,995,000~~
 51.25 \$ 9,987,000 2008
 51.26 \$ 10,095,000 2009

51.27 The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for
 51.28 2008.

51.29 The 2009 appropriation includes \$1,009,000 for 2008 and \$9,086,000 for 2009.

51.30 Sec. 24. Laws 2007, chapter 146, article 9, section 17, subdivision 4, is amended to
 51.31 read:

51.32 Subd. 4. **Health and developmental screening aid.** For health and developmental
 51.33 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

52.1 ~~3,159,000~~
 52.2 \$ 2,624,000 2008
 52.3 ~~3,330,000~~
 52.4 \$ 2,656,000 2009

52.5 The 2008 appropriation includes \$288,000 for 2007 and ~~\$2,871,000~~ \$2,336,000
 52.6 for 2008.

52.7 The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~
 52.8 \$2,397,000 for 2009.

52.9 Sec. 25. Laws 2007, chapter 146, article 9, section 17, subdivision 8, is amended to
 52.10 read:

52.11 Subd. 8. **Community education aid.** For community education aid under
 52.12 Minnesota Statutes, section 124D.20:

52.13 ~~1,307,000~~
 52.14 \$ 1,299,000 2008
 52.15 \$ ~~816,000~~ 796,000 2009

52.16 The 2008 appropriation includes \$195,000 for 2007 and ~~\$1,112,000~~ \$1,104,000
 52.17 for 2008.

52.18 The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~
 52.19 \$674,000 for 2009.

52.20 Sec. 26. Laws 2007, chapter 146, article 9, section 17, subdivision 9, is amended to
 52.21 read:

52.22 Subd. 9. **Adults with disabilities program aid.** For adults with disabilities
 52.23 programs under Minnesota Statutes, section 124D.56:

52.24 \$ ~~710,000~~ 709,000 2008
 52.25 \$ 710,000 2009

52.26 The 2008 appropriation includes ~~\$71,000~~ \$70,000 for 2007 and \$639,000 for 2008.

52.27 The 2009 appropriation includes \$71,000 for 2008 and \$639,000 for 2009.

52.28 School districts operating existing adults with disabilities programs that are not fully
 52.29 funded shall receive full funding for the program beginning in fiscal year 2008 before the
 52.30 commissioner awards grants to other districts.

52.31 Sec. 27. Laws 2007, chapter 146, article 9, section 17, subdivision 13, is amended to
 52.32 read:

52.33 Subd. 13. **Adult basic education aid.** For adult basic education aid under
 52.34 Minnesota Statutes, section 124D.531:

53.1 ~~40,347,000~~
 53.2 \$ 40,344,000 2008
 53.3 ~~41,745,000~~
 53.4 \$ 41,712,000 2009

53.5 The 2008 appropriation includes \$3,759,000 for 2007 and ~~\$36,588,000~~ \$36,585,000
 53.6 for 2008.

53.7 The 2009 appropriation includes \$4,065,000 for 2008 and ~~\$37,680,000~~ \$37,647,000
 53.8 for 2009.