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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

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*Referred by Chair to Education Finance and Economic Competitiveness Finance Division.*

March 26, 2008

*Returned to the Committee on Finance as Amended.*

A bill for an act

relating to education finance; providing funding for prekindergarten through grade 12 education; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 120B.023, subdivision 2; 120B.131, subdivision 2; 120B.31, as amended; 120B.35, as amended; 120B.36, as amended; 120B.362; 122A.21; 123B.02, subdivision 21; 123B.59, subdivision 1; 123B.62; 124D.04, subdivisions 3, 6, 8, 9; 124D.05, by adding a subdivision; 124D.10, subdivision 20; 124D.55; 125A.65, by adding a subdivision; 125A.76, by adding a subdivision; 126C.10, subdivision 31, by adding a subdivision; 126C.17, subdivision 9; 126C.21, subdivision 1; 126C.51; 126C.52, subdivision 2, by adding a subdivision; 126C.53; 126C.55; 127A.45, subdivision 16; Minnesota Statutes 2007 Supplement, sections 120B.021, subdivision 1; 120B.024; 120B.30; 123B.143, subdivision 1; 124D.531, subdivision 1; 126C.21, subdivision 3; 126C.44; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, 3, 4, 5, 6, 7, 8; article 2, section 46, subdivisions 2, 3, 4, 6, 9, 13; article 3, sections 23, subdivision 2; 24, subdivisions 3, 4, 9; article 4, section 16, subdivisions 2, 3, 6, 8; article 5, section 13, subdivisions 2, 3, 4, 5; article 7, section 4; article 9, section 17, subdivisions 2, 3, 4, 8, 9, 13; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 1, 2, 6; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 124D; 127A; 145; repealing Minnesota Statutes 2006, sections 121A.67; 125A.16; 125A.19; 125A.20; 125A.57; Laws 2006, chapter 263, article 3, section 16; Laws 2007, First Special Session chapter 2, article 1, section 11, subdivisions 3, 4.

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

### ARTICLE 1

#### K-12 EDUCATION

Section 1. Minnesota Statutes 2007 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

2.1 (2) mathematics;

2.2 (3) science;

2.3 (4) social studies, including history, geography, economics, and government and  
2.4 citizenship;

2.5 (5) physical education;

2.6 ~~(6) health and physical education~~, for which locally developed academic standards  
2.7 apply; and

2.8 ~~(6)~~ (7) the arts, for which statewide or locally developed academic standards apply,  
2.9 as determined by the school district. Public elementary and middle schools must offer at  
2.10 least three and require at least two of the following four arts areas: dance; music; theater;  
2.11 and visual arts. Public high schools must offer at least three and require at least one of the  
2.12 following five arts areas: media arts; dance; music; theater; and visual arts.

2.13 (b) To satisfy the one-half credit physical education requirement under section  
2.14 120B.024, paragraph (a), clause (5), the state physical education standard under paragraph  
2.15 (a) must be consistent with either the six physical education standards developed by the  
2.16 department's quality teaching network or the six National Physical Education Standards  
2.17 developed by the National Association for Sport and Physical Education. To satisfy  
2.18 federal reporting requirements for continued funding under Title VII of the Physical  
2.19 Education for Progress Act, a school district must notify the department, if applicable, of  
2.20 its intent to comply with this subdivision.

2.21 (c) The commissioner must submit proposed standards in science and social studies  
2.22 to the legislature by February 1, 2004.

2.23 (d) For purposes of applicable federal law, the academic standards for language arts,  
2.24 mathematics, and science apply to all public school students, except the very few students  
2.25 with extreme cognitive or physical impairments for whom an individualized education  
2.26 plan team has determined that the required academic standards are inappropriate.  
2.27 An individualized education plan team that makes this determination must establish  
2.28 alternative standards.

2.29 (e) A school district, no later than the 2007-2008 school year, must adopt graduation  
2.30 requirements that meet or exceed state graduation requirements established in law or  
2.31 rule. A school district that incorporates these state graduation requirements before the  
2.32 2007-2008 school year must provide students who enter the 9th grade in or before  
2.33 the 2003-2004 school year the opportunity to earn a diploma based on existing locally  
2.34 established graduation requirements in effect when the students entered the 9th grade.  
2.35 District efforts to develop, implement, or improve instruction or curriculum as a result

3.1 of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
3.2 and 120B.20.

3.3 (f) The commissioner must include the contributions of Minnesota American Indian  
3.4 tribes and communities as they relate to the academic standards during the review and  
3.5 revision of the required academic standards.

3.6 **EFFECTIVE DATE.** This section is effective the day following final enactment  
3.7 except that paragraph (a), clause (5), applies to students entering the ninth grade in the  
3.8 2009-2010 school year and later.

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

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

3.18 (b) The commissioner in the 2006-2007 school year must revise and align the state's  
3.19 academic standards and high school graduation requirements in mathematics to require  
3.20 that students satisfactorily complete the revised mathematics standards, beginning in the  
3.21 2010-2011 school year. Under the revised standards:

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

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

3.26 The commissioner also must ensure that the statewide mathematics assessments  
3.27 administered to students in grades 3 through 8 and 11 beginning in the 2010-2011  
3.28 school year are aligned with the state academic standards in mathematics. The statewide  
3.29 11th grade mathematics test administered to students under clause (2) beginning in  
3.30 the 2013-2014 school year must include algebra II test items that are aligned with  
3.31 corresponding state academic standards in mathematics. The commissioner must  
3.32 implement a review of the academic standards and related benchmarks in mathematics  
3.33 beginning in the 2015-2016 school year.

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

4.6 (d) The commissioner in the 2008-2009 school year must revise and align the state's  
4.7 academic standards and high school graduation requirements in science to require that  
4.8 students satisfactorily complete the revised science standards, beginning in the 2011-2012  
4.9 school year. Under the revised standards, students scheduled to graduate in the 2014-2015  
4.10 school year or later must satisfactorily complete a chemistry or physics credit. The  
4.11 commissioner must implement a review of the academic standards and related benchmarks  
4.12 in science beginning in the 2017-2018 school year.

4.13 (e) The commissioner in the 2009-2010 school year must revise and align the state's  
4.14 academic standards and high school graduation requirements in language arts to require  
4.15 that students satisfactorily complete the revised language arts standards beginning in the  
4.16 2012-2013 school year. The commissioner must implement a review of the academic  
4.17 standards and related benchmarks in language arts beginning in the 2018-2019 school year.

4.18 (f) The commissioner in the 2010-2011 school year must revise and align the state's  
4.19 academic standards and high school graduation requirements in social studies to require  
4.20 that students satisfactorily complete the revised social studies standards beginning in the  
4.21 2013-2014 school year. The commissioner must implement a review of the academic  
4.22 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

4.23 (g) The commissioner in the 2018-2019 school year must revise and align the state's  
4.24 standards and high school graduation requirements in physical education, consistent with  
4.25 sections 120B.021, subdivision 1, paragraph (a), clause (5), and 120B.024, paragraph (a),  
4.26 clause (6), to require students to satisfactorily complete the revised physical education  
4.27 standards beginning in the 2021-2022 school year. The commissioner must implement  
4.28 a review of the physical education standards and related benchmarks beginning in the  
4.29 2029-2030 school year.

4.30 (h) School districts and charter schools must revise and align local academic  
4.31 standards and high school graduation requirements in health, physical education, world  
4.32 languages, and career and technical education to require students to complete the revised  
4.33 standards beginning in a school year determined by the school district or charter school.  
4.34 School districts and charter schools must formally establish a periodic review cycle for  
4.35 the academic standards and related benchmarks in health, physical education, world  
4.36 languages, and career and technical education.

5.1 **EFFECTIVE DATE.** This section is effective the day following final enactment  
5.2 and applies to students entering ninth grade in the 2009-2010 school year and later.

5.3 Sec. 3. Minnesota Statutes 2007 Supplement, section 120B.024, is amended to read:

5.4 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

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

5.7 (1) four credits of language arts;

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

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

5.11 (4) three and one-half credits of social studies, encompassing at least United  
5.12 States history, geography, government and citizenship, world history, and economics or  
5.13 three credits of social studies encompassing at least United States history, geography,  
5.14 government and citizenship, and world history, and one-half credit of economics taught in  
5.15 a school's social studies, agriculture education, or business department;

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

5.17 (6) one-half credit of physical education; and

5.18 (7) a minimum of ~~seven~~ 6-1/2 elective course credits.

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

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

5.25 (c) A career and technical education course may fulfill a science, mathematics, or  
5.26 arts credit requirement in addition to the specified science, mathematics, or arts credits  
5.27 under paragraph (a), clause (2), (3), or (5).

5.28 **EFFECTIVE DATE.** This section is effective the day following final enactment  
5.29 and applies to students entering ninth grade in the 2009-2010 school year and later.

5.30 Sec. 4. Minnesota Statutes 2006, section 120B.131, subdivision 2, is amended to read:

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

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

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

6.8 Sec. 5. **[120B.299] DEFINITIONS.**

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

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

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

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

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

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

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

7.1 Sec. 6. Minnesota Statutes 2007 Supplement, section 120B.30, is amended to read:

7.2 **120B.30 STATEWIDE TESTING AND REPORTING SYSTEM.**

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

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

7.20 (1) for reading and mathematics:

7.21 (i) obtaining an achievement level equivalent to or greater than proficient as  
7.22 determined through a standard setting process on the Minnesota comprehensive  
7.23 assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing  
7.24 score as determined through a standard setting process on the graduation-required  
7.25 assessment for diploma in grade 10 for reading and grade 11 for mathematics or  
7.26 subsequent retests;

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

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

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

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

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

8.6 (2) for writing:

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

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

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

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

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

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

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

8.28 (1) uniform statewide testing of all students in grades 3 through 8 and at the high  
8.29 school level that provides appropriate, technically sound accommodations, alternate  
8.30 assessments, or exemptions consistent with applicable federal law, only with parent or  
8.31 guardian approval, for those very few students for whom the student's individual education  
8.32 plan team under sections 125A.05 and 125A.06 determines that the general statewide test  
8.33 is inappropriate for a student, or for a limited English proficiency student under section  
8.34 124D.59, subdivision 2;

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

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

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

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

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

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

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

9.23 (c) Reporting of assessment results must:

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

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

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

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

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

10.1 (e) A school, school district, and charter school must administer statewide  
10.2 assessments under this section, as the assessments become available, to evaluate student  
10.3 ~~progress in achieving the~~ proficiency in the context of the state's grade level academic  
10.4 standards. If a state assessment is not available, a school, school district, and charter  
10.5 school must determine locally if a student has met the required academic standards. A  
10.6 school, school district, or charter school may use a student's performance on a statewide  
10.7 assessment as one of multiple criteria to determine grade promotion or retention. A  
10.8 school, school district, or charter school may use a high school student's performance on a  
10.9 statewide assessment as a percentage of the student's final grade in a course, or place a  
10.10 student's assessment score on the student's transcript.

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

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

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

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

10.29 Sec. 7. Minnesota Statutes 2006, section 120B.31, as amended by Laws 2007, chapter  
10.30 146, article 2, section 10, is amended to read:

10.31 **120B.31 SYSTEM ACCOUNTABILITY AND STATISTICAL**  
10.32 **ADJUSTMENTS.**

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

11.1 standards under section 120B.02, the department, in consultation with education and other  
11.2 system stakeholders, must ~~establish~~ maintain a coordinated and comprehensive system of  
11.3 educational accountability and public reporting that promotes ~~higher~~ greater academic  
11.4 achievement, preparation for higher academic education, preparation for the world of  
11.5 work, citizenship as outlined under sections 120B.021, subdivision 1, clause (4), and  
11.6 120B.024, paragraph (a), clause (4), and the arts.

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

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

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

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

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

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

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

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

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

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

12.5 Subd. 4. **Statistical adjustments; student performance data.** In ~~developing~~  
12.6 managing policies and assessment processes to hold schools and districts accountable  
12.7 for high levels of academic standards under section 120B.021, the commissioner shall  
12.8 aggregate student data over time to report student performance and growth levels  
12.9 measured at the school, school district, ~~regional, or~~ and statewide level. When collecting  
12.10 and reporting the performance data, the commissioner shall: (1) acknowledge the impact  
12.11 of significant demographic factors such as residential instability, the number of single  
12.12 parent families, parents' level of education, and parents' income level on school outcomes;  
12.13 and (2) organize and report the data so that state and local policy makers can understand  
12.14 the educational implications of changes in districts' demographic profiles over time. Any  
12.15 report the commissioner disseminates containing summary data on student performance  
12.16 must integrate student performance and the demographic factors that strongly correlate  
12.17 with that performance.

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

12.19 Sec. 8. Minnesota Statutes 2006, section 120B.35, as amended by Laws 2007, chapter  
12.20 147, article 8, section 38, is amended to read:

12.21 **120B.35 STUDENT ACADEMIC ACHIEVEMENT AND ~~PROGRESS~~**  
12.22 **GROWTH.**

12.23 Subdivision 1. ~~Adequate yearly progress of schools and students~~ **School and**  
12.24 **student indicators of growth and achievement.** The commissioner must ~~develop~~  
12.25 ~~and implement~~ maintain a system for measuring and reporting academic achievement  
12.26 and individual student ~~progress~~ growth, consistent with the statewide educational  
12.27 accountability and reporting system. The system components ~~of the system~~ must measure  
12.28 the adequate yearly progress of schools and the growth of individual students: students'  
12.29 current achievement in schools under subdivision 2; and individual students' educational  
12.30 ~~progress~~ growth over time under subdivision 3. The system also must include statewide  
12.31 measures of student academic ~~achievement~~ growth that identify schools with high levels  
12.32 of ~~achievement~~ growth, and also schools with low levels of ~~achievement~~ growth that need  
12.33 improvement. When determining a school's effect, the data must include both statewide  
12.34 measures of student achievement and, ~~to the extent annual tests are administered,~~

13.1 indicators of achievement growth that take into account a student's prior achievement.  
 13.2 Indicators of achievement and prior achievement must be based on highly reliable  
 13.3 statewide or districtwide assessments. Indicators that take into account a student's prior  
 13.4 achievement must not be used to disregard a school's low achievement or to exclude  
 13.5 a school from a program to improve low achievement levels. ~~The commissioner by~~  
 13.6 ~~January 15, 2002, must submit a plan for integrating these components to the chairs of~~  
 13.7 ~~the legislative committees having policy and budgetary responsibilities for elementary~~  
 13.8 ~~and secondary education.~~

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

13.10 (a) Each school year, a school district must determine if the student achievement levels  
 13.11 at each school site meet ~~state and local~~ federally mandated expectations. If student  
 13.12 achievement levels at a school site do not meet ~~state and local~~ federally mandated  
 13.13 expectations and the site has not made adequate yearly progress for two consecutive  
 13.14 school years, beginning with the 2001-2002 school year, the district must work with the  
 13.15 school site to adopt a plan to raise student achievement levels to meet ~~state and local~~  
 13.16 federally mandated expectations. The commissioner of education shall establish student  
 13.17 academic achievement levels to comply with this paragraph.

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

13.23 (c) The commissioner must:

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

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

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

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

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

14.1 (b) ~~The commissioner must identify effective models for measuring individual~~  
14.2 ~~student progress that enable a school district or school site to perform gains-based~~  
14.3 ~~analysis, including evaluating the effects of the teacher, school, and school district on~~  
14.4 ~~student achievement over time. At least one model must be a "value-added" assessment~~  
14.5 ~~model that reliably estimates those effects for classroom settings where a single teacher~~  
14.6 ~~teaches multiple subjects to the same group of students, for team teaching arrangements,~~  
14.7 ~~and for other teaching circumstances. use a growth-based value-added system. The~~  
14.8 commissioner must apply the state growth norm to students in grades 4 through 8  
14.9 beginning in the 2008-2009 school year, consistent with section 120B.299, subdivision  
14.10 6, initially benchmarking the state growth norm to 2006-2007 school year data. The  
14.11 model must allow the user to:

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

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

14.20 ~~(c) If a district has an accountability plan that includes gains-based analysis or~~  
14.21 ~~"value-added" assessment, the commissioner shall, to the extent practicable, incorporate~~  
14.22 ~~those measures in determining whether the district or school site meets expectations. The~~  
14.23 ~~department must coordinate with the district in evaluating school sites and continuous~~  
14.24 ~~improvement plans, consistent with best practices. If a district has an accountability~~  
14.25 plan that includes other growth-based value-added analysis, the commissioner may, to  
14.26 the extent practicable and consistent with this section, incorporate those measures in  
14.27 determining whether the district or school site shows growth, including accelerated growth.

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

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

15.1 (2) a rigorous coursework measure indicating the number and percentage of high  
15.2 school graduates in the most recent school year who successfully completed one or more  
15.3 college-level advanced placement, international baccalaureate, postsecondary enrollment  
15.4 options including concurrent enrollment, other rigorous courses of study under section  
15.5 120B.021, subdivision 1a, or industry certification courses or programs.

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

15.10 (e) When reporting student performance under section 120B.36, subdivision 1, the  
15.11 commissioner annually, beginning July 1, 2011, must include summary data showing  
15.12 students' average self-reported sense of school safety, engagement in school, and the  
15.13 quality of students' relationship with teachers, administrators, and other students. The  
15.14 commissioner must gather these data consistently from students in grade 4 or 5, in one  
15.15 grade level in grades 6 through 8, and in one grade level in high school, as determined by  
15.16 the commissioner in consultation with recognized and qualified experts. All data received,  
15.17 collected, or created that are used to generate the summary data under this paragraph are  
15.18 nonpublic data under section 13.02, subdivision 9.

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

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

15.32 (b) A district must develop a plan in conjunction with parents of students with  
15.33 emotional or behavioral disorders and the local mental health authority to increase the  
15.34 graduation rates of students with emotional or behavioral disorders. A district with a  
15.35 drop-out rate for children with an emotional or behavioral disturbance in grades 9 through

16.1 12 that is in the top 25 percent of all districts shall submit a plan for review and oversight  
16.2 to the commissioner.

16.3 **EFFECTIVE DATE.** Subdivision 3, paragraph (b), applies to students in the  
16.4 2009-2010 school year and later. Subdivision 3, paragraph (d), applies to students in the  
16.5 2010-2011 school year and later. Subdivision 3, paragraph (e), applies to high school  
16.6 students in the 2009-2010 school year and later, and to students in any grades 4 through 8  
16.7 in the 2010-2011 school year and later, consistent with the commissioner's grade level  
16.8 determinations. Subdivision 4 applies in the 2011-2012 school year and later.

16.9 Sec. 9. Minnesota Statutes 2006, section 120B.36, as amended by Laws 2007, chapter  
16.10 146, article 2, section 11, is amended to read:

16.11 **120B.36 SCHOOL ACCOUNTABILITY; APPEALS PROCESS.**

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

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

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

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

16.32 (e) School performance report ~~cards~~ card data are nonpublic data under section  
16.33 13.02, subdivision 9, until not later than ten days after the appeal procedure described in

17.1 paragraph (d) concludes. The department shall annually post school performance report  
17.2 cards to its public Web site no later than September 1.

17.3 Subd. 2. **Adequate yearly progress data.** All data the department receives,  
17.4 collects, or creates ~~for purposes of determining~~ to determine adequate yearly progress  
17.5 ~~designations~~ status under Public Law 107-110, section 1116, set state growth norms, and  
17.6 determine student growth are nonpublic data under section 13.02, subdivision 9, until not  
17.7 later than ten days after the appeal procedure described in subdivision 1, paragraph (d),  
17.8 concludes. Districts must provide parents sufficiently detailed summary data to permit  
17.9 parents to appeal under Public Law 107-110, section 1116(b)(2). The department shall  
17.10 annually post federally mandated adequate yearly progress data and state student growth  
17.11 data to its public Web site no later than September 1.

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

17.13 Sec. 10. Minnesota Statutes 2006, section 120B.362, is amended to read:

17.14 **120B.362 GROWTH-BASED VALUE-ADDED ASSESSMENT PROGRAM.**

17.15 ~~(a)~~ The commissioner of education must implement a growth-based value-added  
17.16 assessment program to assist school districts, public schools, and charter schools in  
17.17 assessing and reporting individual students' growth in academic achievement under section  
17.18 120B.30, subdivision 1a. The program must use assessments of individual students'  
17.19 academic achievement to make longitudinal comparisons of each student's academic  
17.20 growth over time. ~~School districts, public schools, and charter schools may apply to the~~  
17.21 ~~commissioner to participate in the initial trial program using a form and in the manner the~~  
17.22 ~~commissioner prescribes. The commissioner must select program participants from urban,~~  
17.23 ~~suburban, and rural areas throughout the state.~~

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

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

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

18.1 Sec. 11. Minnesota Statutes 2006, section 122A.21, is amended to read:

18.2 **122A.21 TEACHERS' AND ADMINISTRATORS' LICENSES; FEES.**

18.3 Subdivision 1. **Licensure applications.** Each application for the issuance, renewal,  
18.4 or extension of a license to teach, including applications for licensure via portfolio under  
18.5 subdivision 2, must be accompanied by a processing fee of \$57. Each application for  
18.6 issuing, renewing, or extending the license of a school administrator or supervisor must  
18.7 be accompanied by a processing fee in the amount set by the Board of Teaching. The  
18.8 processing fee for a teacher's license and for the licenses of supervisory personnel must  
18.9 be paid to the executive secretary of the appropriate board. The executive secretary of  
18.10 the board shall deposit the fees with the commissioner of finance. The fees as set by the  
18.11 board are nonrefundable for applicants not qualifying for a license. However, a fee must  
18.12 be refunded by the commissioner of finance in any case in which the applicant already  
18.13 holds a valid unexpired license. The board may waive or reduce fees for applicants who  
18.14 apply at the same time for more than one license.

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

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

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

18.25 (d) A candidate must pay to the executive secretary of the Board of Teaching a  
18.26 \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio  
18.27 submitted subsequently. The fees must be paid to the executive secretary of the Board of  
18.28 Teaching. The revenue generated from the fee must be deposited in an education licensure  
18.29 portfolio account in the special revenue fund. The fees set by the Board of Teaching are  
18.30 nonrefundable for applicants not qualifying for a license. The Board of Teaching may  
18.31 wave or reduce fees for candidates based on financial need.

18.32 Sec. 12. **[121A.215] LOCAL SCHOOL DISTRICT WELLNESS POLICIES;**  
18.33 **WEB SITE.**

18.34 When available, a school district must post its current local school wellness policy  
18.35 on its Web site.

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

19.2 Sec. 13. Minnesota Statutes 2006, section 123B.02, subdivision 21, is amended to read:

19.3 Subd. 21. **Wind energy conversion system.** The board, or more than one board  
19.4 acting jointly under the authority granted by section 471.59, may construct, acquire, own  
19.5 in whole or in part, operate, and sell and retain and spend the payment received from  
19.6 selling energy from a wind energy conversion system, as defined in section 216C.06,  
19.7 subdivision 19. The board's share of the installed capacity of the wind energy conversion  
19.8 systems authorized by this subdivision must not exceed 3.3 megawatts of nameplate  
19.9 capacity. A board owning, operating, or selling energy from a wind energy conversion  
19.10 system must integrate information about wind energy conversion systems in its educational  
19.11 programming. The board, or more than one board acting jointly under the authority  
19.12 granted by section 471.59, may be a limited partner in a partnership, a member of a limited  
19.13 liability company, or a shareholder in a corporation, established for the sole purpose of  
19.14 constructing, acquiring, owning in whole or in part, financing, or operating a wind energy  
19.15 conversion system for the benefit of the district or districts in accordance with this section.

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

19.17 Sec. 14. Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1,  
19.18 is amended to read:

19.19 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary  
19.20 school must employ a superintendent who shall be an ex officio nonvoting member of the  
19.21 school board. The authority for selection and employment of a superintendent must be  
19.22 vested in the board in all cases. An individual employed by a board as a superintendent  
19.23 shall have an initial employment contract for a period of time no longer than three years  
19.24 from the date of employment. Any subsequent employment contract must not exceed a  
19.25 period of three years. A board, at its discretion, may or may not renew an employment  
19.26 contract. A board must not, by action or inaction, extend the duration of an existing  
19.27 employment contract. Beginning 365 days prior to the expiration date of an existing  
19.28 employment contract, a board may negotiate and enter into a subsequent employment  
19.29 contract to take effect upon the expiration of the existing contract. A subsequent contract  
19.30 must be contingent upon the employee completing the terms of an existing contract. If a  
19.31 contract between a board and a superintendent is terminated prior to the date specified in  
19.32 the contract, the board may not enter into another superintendent contract with that same  
19.33 individual that has a term that extends beyond the date specified in the terminated contract.  
19.34 A board may terminate a superintendent during the term of an employment contract for any

20.1 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall  
 20.2 not rely upon an employment contract with a board to assert any other continuing contract  
 20.3 rights in the position of superintendent under section 122A.40. Notwithstanding the  
 20.4 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law  
 20.5 to the contrary, no individual shall have a right to employment as a superintendent based  
 20.6 on order of employment in any district. If two or more districts enter into an agreement for  
 20.7 the purchase or sharing of the services of a superintendent, the contracting districts have  
 20.8 the absolute right to select one of the individuals employed to serve as superintendent  
 20.9 in one of the contracting districts and no individual has a right to employment as the  
 20.10 superintendent to provide all or part of the services based on order of employment in a  
 20.11 contracting district. The superintendent of a district shall perform the following:

20.12 (1) visit and supervise the schools in the district, report and make recommendations  
 20.13 about their condition when advisable or on request by the board;

20.14 (2) recommend to the board employment and dismissal of teachers;

20.15 (3) superintend school grading practices and examinations for promotions;

20.16 (4) make reports required by the commissioner; and

20.17 (5) ~~by January 10, submit an annual report to the commissioner in a manner~~  
 20.18 ~~prescribed by the commissioner, in consultation with school districts, identifying the~~  
 20.19 ~~expenditures that the district requires to ensure an 80 percent student passage rate on~~  
 20.20 ~~the MCA-IIs taken in the eighth grade, identifying the highest student passage rate the~~  
 20.21 ~~district expects it will be able to attain on the MCA-IIs by grade 12, and the amount of~~  
 20.22 ~~expenditures that the district requires to attain the targeted student passage rate; and~~

20.23 ~~(6)~~ perform other duties prescribed by the board.

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

20.25 Sec. 15. Minnesota Statutes 2006, section 123B.59, subdivision 1, is amended to read:

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

20.28 (1) more than 66 students per grade;

20.29 (2) over 1,850,000 square feet of space and the average age of building space is 15  
 20.30 years or older or over 1,500,000 square feet and the average age of building space is  
 20.31 35 years or older;

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

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

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

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

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

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

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

21.13 Sec. 16. Minnesota Statutes 2006, section 123B.62, is amended to read:

21.14 **123B.62 BONDS FOR CERTAIN CAPITAL FACILITIES.**

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

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

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

21.20 (2) the cost of energy modifications;

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

21.22 (4) bringing school buildings into compliance with life and safety codes and fire  
21.23 codes.

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

21.27 (c) A bond issue tentatively authorized by the board under this subdivision becomes  
21.28 finally authorized unless a petition signed by more than 15 percent of the registered voters  
21.29 of the district is filed with the school board within 30 days of the board's adoption of a  
21.30 resolution stating the board's intention to issue bonds. The percentage is to be determined  
21.31 with reference to the number of registered voters in the district on the last day before the  
21.32 petition is filed with the board. The petition must call for a referendum on the question of  
21.33 whether to issue the bonds for the projects under this section. The approval of 50 percent

22.1 plus one of those voting on the question is required to pass a referendum authorized  
22.2 by this section.

22.3 (d) The bonds must be paid off within ~~ten~~ 15 years of issuance. The bonds must be  
22.4 issued in compliance with chapter 475, except as otherwise provided in this section. A tax  
22.5 levy must be made for the payment of principal and interest on the bonds in accordance  
22.6 with section 475.61. The sum of the tax levies under this section and section 123B.61 for  
22.7 each year must not exceed the limit specified in section 123B.61. The levy for each year  
22.8 must be reduced as provided in section 123B.61. A district using an excess amount in the  
22.9 debt redemption fund to retire the bonds shall report the amount used for this purpose to  
22.10 the commissioner by July 15 of the following fiscal year. A district having an outstanding  
22.11 capital loan under section 126C.69 or an outstanding debt service loan under section  
22.12 126C.68 must not use an excess amount in the debt redemption fund to retire the bonds.

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

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

22.18 Sec. 17. Minnesota Statutes 2006, section 124D.04, subdivision 3, is amended to read:

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

22.24 Sec. 18. Minnesota Statutes 2006, section 124D.04, subdivision 6, is amended to read:

22.25 Subd. 6. **Tuition payments.** (a) In each odd-numbered year, before March 1, the  
22.26 commissioner must agree to rates of tuition for Minnesota elementary and secondary  
22.27 pupils attending in other states for the next two fiscal years when the other state agrees to  
22.28 negotiate tuition rates. The commissioner must negotiate equal, reciprocal rates with the  
22.29 designated authority in each state for pupils who reside in an adjoining state and enroll in  
22.30 a Minnesota district. The rates must be at least equal to the tuition specified in section  
22.31 124D.05, subdivision 1. If the other state does not agree to negotiate a general tuition rate,  
22.32 a Minnesota school district may negotiate a tuition rate with the school district in the other  
22.33 state that sends a pupil to or receives a pupil from the Minnesota school district. The  
22.34 tuition rate for a pupil with a disability must be equal to the actual cost of instruction and

23.1 services provided. The resident district of a Minnesota pupil attending in another state  
23.2 under this section must pay the amount of tuition agreed upon in this section to the district  
23.3 of attendance, prorated on the basis of the proportion of the school year attended.

23.4 (b) Notwithstanding paragraph (a) and subdivision 9, if an agreement is reached  
23.5 between the state of Minnesota and an adjoining state pursuant to section 124D.041,  
23.6 the provisions of section 124D.041 and the agreement shall apply to all enrollment  
23.7 transfers between Minnesota and the adjoining state, and provisions of paragraph (a)  
23.8 and subdivision 9 shall not apply.

23.9 Sec. 19. Minnesota Statutes 2006, section 124D.04, subdivision 8, is amended to read:

23.10 Subd. 8. **Effective if reciprocal.** This section is effective with respect to ~~South~~  
23.11 ~~Dakota upon enactment of provisions by South Dakota that the commissioner determines~~  
23.12 ~~are essentially similar to the provisions for Minnesota pupils in this section. This section~~  
23.13 ~~is effective with respect to any other~~ bordering state upon enactment of provisions by the  
23.14 bordering state that the commissioner determines are essentially similar to the provisions  
23.15 for Minnesota pupils in this section.

23.16 Sec. 20. Minnesota Statutes 2006, section 124D.04, subdivision 9, is amended to read:

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

23.22 Sec. 21. **[124D.041] RECIPROCITY WITH ADJOINING STATES.**

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

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

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

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

- 24.1 (4) if Minnesota sends more students to the adjoining state than the adjoining state  
24.2 sends to Minnesota, the state of Minnesota will pay the adjoining state the rate agreed  
24.3 upon under clause (2) for the excess number of students sent to the adjoining state;
- 24.4 (5) the application procedures for the enrollment options program between  
24.5 Minnesota and the adjoining state;
- 24.6 (6) the reasons for which an application for the enrollment options program between  
24.7 Minnesota and the adjoining may be denied; and
- 24.8 (7) that a Minnesota school district is not responsible for transportation for any  
24.9 resident student attending school in an adjoining state under the provisions of this section.  
24.10 A Minnesota school district may, at its discretion, provide transportation services for  
24.11 such a student.
- 24.12 (b) Any agreement entered into pursuant to this section may specify additional terms  
24.13 relating to any student in need of special education and related services pursuant to chapter  
24.14 125A. Any additional terms must apply equally to both states.
- 24.15 Subd. 2. **Pupil accounting.** (a) Any student from an adjoining state enrolled in  
24.16 Minnesota pursuant to this section is included in the receiving school district's average  
24.17 daily membership and pupil units according to section 126C.05 as if the student were  
24.18 a resident of another Minnesota school district attending the receiving school district  
24.19 under section 124D.03.
- 24.20 (b) Any Minnesota resident student enrolled in an adjoining state pursuant to this  
24.21 section is included in the resident school district's average daily membership and pupil  
24.22 units according to section 126C.05 as if the student were a resident of the district attending  
24.23 another Minnesota school district under section 124D.03.
- 24.24 Subd. 3. **Procedures.** (a) The Department of Education must establish procedures  
24.25 relating to the application process, the collection or payment of funds under the provisions  
24.26 of any agreement established pursuant to this section, and the collection of data necessary  
24.27 to implement any agreement established pursuant to this section.
- 24.28 (b) Notwithstanding sections 124D.04 and 124D.05, if an agreement is established  
24.29 between Minnesota and an adjoining state pursuant to this section, the provisions of this  
24.30 section and the agreement shall apply to all enrollment transfers between Minnesota and  
24.31 the adjoining state, and provisions of sections 124D.04 and 124D.05 to the contrary,  
24.32 including provisions relating to tuition payments, shall not apply.
- 24.33 (c) Notwithstanding paragraph (a), any payments to adjoining states under this  
24.34 section shall be made according to section 127A.45, subdivision 16.
- 24.35 (d) Notwithstanding paragraph (b), sections 124D.04, subdivision 6, paragraph (b),  
24.36 and 124D.05, subdivision 2a, the provisions of this section and the agreement shall not

25.1 apply to enrollment transfers between Minnesota and a school district in an adjoining state  
25.2 enrolling fewer than 150 pupils that is exempted from participation in the program under  
25.3 the laws of the adjoining state.

25.4 Sec. 22. Minnesota Statutes 2006, section 124D.05, is amended by adding a  
25.5 subdivision to read:

25.6 Subd. 2a. **Exception.** Notwithstanding subdivisions 1 and 2, if an agreement  
25.7 is reached between the state of Minnesota and an adjoining state pursuant to section  
25.8 124D.041, the provisions of section 124D.041 and the agreement shall apply to all  
25.9 enrollment transfers between Minnesota and the adjoining state, and provisions of  
25.10 subdivisions 1 and 2 to the contrary, including provisions relating to tuition payments,  
25.11 shall not apply.

25.12 Sec. 23. Minnesota Statutes 2006, section 124D.10, subdivision 20, is amended to read:

25.13 **Subd. 20. Leave to teach in a charter school.** If a teacher employed by a district  
25.14 makes a written request for an extended leave of absence to teach at a charter school,  
25.15 the district must grant the leave. The district must grant a leave not to exceed a total of  
25.16 five years. Any request to extend the leave shall be granted only at the discretion of the  
25.17 school board. The district may require that the request for a leave or extension of leave  
25.18 be made ~~up to 90 days before the teacher would otherwise have to report for duty before~~  
25.19 February 1 in the school year preceding the school year in which the teacher wishes to  
25.20 return, or before February 1 of the calendar year in which the teacher's leave is scheduled  
25.21 to terminate. Except as otherwise provided in this subdivision and except for section  
25.22 122A.46, subdivision 7, the leave is governed by section 122A.46, including, but not  
25.23 limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

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

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

25.31 Sec. 24. Minnesota Statutes 2007 Supplement, section 124D.531, subdivision 1,  
25.32 is amended to read:

26.1 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
26.2 education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education  
26.3 aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during  
26.4 the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or  
26.5 section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year  
26.6 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal  
26.7 year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52,  
26.8 subdivision 3. The state total adult basic education aid for fiscal year 2008 equals  
26.9 \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of  
26.10 adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The  
26.11 state total adult basic education aid for later fiscal years equals:

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

26.15 (2) the lesser of:

26.16 (i) 1.03; or

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

26.20 Beginning in fiscal year 2002, two percent of the state total adult basic education  
26.21 aid must be set aside for adult basic education supplemental service grants under section  
26.22 124D.522.

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

26.26 Sec. 25. Minnesota Statutes 2006, section 124D.55, is amended to read:

26.27 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

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

26.31 Sec. 26. Minnesota Statutes 2006, section 125A.65, is amended by adding a  
26.32 subdivision to read:

26.33 Subd. 11. **Third-party reimbursement.** The Minnesota State Academies must seek  
26.34 reimbursement under section 125A.21 from third parties for the cost of services provided

27.1 by the Minnesota State Academies whenever the services provided are otherwise covered  
27.2 by a child's public or private health plan.

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

27.5 Sec. 27. Minnesota Statutes 2006, section 125A.76, is amended by adding a  
27.6 subdivision to read:

27.7 **Subd. 4a. Adjustments for tuition reciprocity with adjoining states.** (a) If an  
27.8 agreement is reached between the state of Minnesota and an adjoining state pursuant to  
27.9 section 124D.041 that requires a special education tuition payment from the state of  
27.10 Minnesota to the adjoining state, the tuition payment shall be made from the special  
27.11 education aid appropriation for that year, and the state total special education aid under  
27.12 subdivision 4 shall be reduced by the amount of the payment.

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

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

27.24 Sec. 28. Minnesota Statutes 2006, section 126C.10, subdivision 31, is amended to read:

27.25 **Subd. 31. Transition revenue.** (a) A district's transition allowance equals the  
27.26 greater of zero or the product of the ratio of the number of adjusted marginal cost pupil  
27.27 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002  
27.28 to the district's adjusted marginal cost pupil units for fiscal year 2004, times the difference  
27.29 between: (1) the lesser of the district's general education revenue per adjusted marginal  
27.30 cost pupil unit for fiscal year 2003 or the amount of general education revenue the district  
27.31 would have received per adjusted marginal cost pupil unit for fiscal year 2004 according  
27.32 to Minnesota Statutes 2002, and (2) the district's general education revenue for fiscal year  
27.33 2004 excluding transition revenue divided by the number of adjusted marginal cost pupil  
27.34 units the district would have counted for fiscal year 2004 under Minnesota Statutes 2002.

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

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

28.9 Sec. 29. Minnesota Statutes 2006, section 126C.10, is amended by adding a  
28.10 subdivision to read:

28.11 Subd. 31c. **Transition for tuition reciprocity revenue.** For the first year that a  
28.12 tuition reciprocity agreement with an adjoining state is in effect under section 124D.041  
28.13 and later, a school district's transition for tuition reciprocity revenue equals the greater of  
28.14 zero or the difference between the sum of the general education revenue and net tuition  
28.15 revenue the district would have received for pupils enrolled under section 124D.041 for  
28.16 the first year the agreement is in effect if the agreement had not been in effect, and the  
28.17 sum of the district's general education revenue and net tuition revenue for the first year  
28.18 the agreement is in effect.

28.19 Sec. 30. Minnesota Statutes 2006, section 126C.17, subdivision 9, is amended to read:

28.20 Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10,  
28.21 subdivision 1, may be increased in the amount approved by the voters of the district at a  
28.22 referendum called for the purpose. The referendum may be called by the board or shall be  
28.23 called by the board upon written petition of qualified voters of the district. The referendum  
28.24 must be conducted one or two calendar years before the increased levy authority, if  
28.25 approved, first becomes payable. Only one election to approve an increase may be held  
28.26 in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the  
28.27 referendum must be held on the first Tuesday after the first Monday in November. The  
28.28 ballot must state the maximum amount of the increased revenue per resident marginal cost  
28.29 pupil unit. The ballot may state a schedule, determined by the board, of increased revenue  
28.30 per resident marginal cost pupil unit that differs from year to year over the number of  
28.31 years for which the increased revenue is authorized or may state that the amount shall  
28.32 increase annually by the rate of inflation. For this purpose, the rate of inflation shall be  
28.33 the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot  
28.34 may state that existing referendum levy authority is expiring. In this case, the ballot may

29.1 also compare the proposed levy authority to the existing expiring levy authority, and  
29.2 express the proposed increase as the amount, if any, over the expiring referendum levy  
29.3 authority. The ballot must designate the specific number of years, not to exceed ten, for  
29.4 which the referendum authorization applies. The ballot, including a ballot on the question  
29.5 to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate  
29.6 the term "per resident marginal cost pupil unit" as "per pupil." The notice required under  
29.7 section 275.60 may be modified to read, in cases of renewing existing levies at the same  
29.8 amount per pupil as in the previous year:

29.9 "BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ~~MAY BE VOTING~~  
29.10 ~~FOR A PROPERTY TAX INCREASE~~ ARE RENEWING AN EXISTING  
29.11 PROPERTY TAX REFERENDUM. YOU ARE NOT CHANGING YOUR  
29.12 OPERATING REFERENDUM AMOUNT PER PUPIL FROM ITS LEVEL IN  
29.13 THE PREVIOUS YEAR."

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

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

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

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

29.35 The notice for a referendum may state that an existing referendum levy is expiring  
29.36 and project the anticipated amount of increase over the existing referendum levy in

30.1 the first year, if any, in annual dollars for typical residential homesteads, agricultural  
30.2 homesteads, apartments, and commercial-industrial property within the district.

30.3 The notice must include the following statement: "Passage of this referendum will  
30.4 result in an increase in your property taxes." However, in cases of renewing existing  
30.5 levies, the notice may include the following statement: "Passage of this referendum ~~may~~  
30.6 ~~result in an increase in your property taxes.~~" renews an existing operating referendum at  
30.7 the same amount per pupil as in the previous year."

30.8 (c) A referendum on the question of revoking or reducing the increased revenue  
30.9 amount authorized pursuant to paragraph (a) may be called by the board and shall be called  
30.10 by the board upon the written petition of qualified voters of the district. A referendum to  
30.11 revoke or reduce the revenue amount must state the amount per resident marginal cost  
30.12 pupil unit by which the authority is to be reduced. Revenue authority approved by the  
30.13 voters of the district pursuant to paragraph (a) must be available to the school district at  
30.14 least once before it is subject to a referendum on its revocation or reduction for subsequent  
30.15 years. Only one revocation or reduction referendum may be held to revoke or reduce  
30.16 referendum revenue for any specific year and for years thereafter.

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

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

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

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

30.31 Sec. 31. Minnesota Statutes 2006, section 126C.21, subdivision 1, is amended to read:

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

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

31.2 Sec. 32. Minnesota Statutes 2007 Supplement, section 126C.21, subdivision 3, is  
31.3 amended to read:

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

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

31.9 Sec. 33. Minnesota Statutes 2007 Supplement, section 126C.44, is amended to read:

31.10 **126C.44 SAFE SCHOOLS LEVY.**

31.11 (a) Each district may make a levy on all taxable property located within the district  
31.12 for the purposes specified in this section. The maximum amount which may be levied  
31.13 for all costs under this section shall be equal to \$30 multiplied by the district's adjusted  
31.14 marginal cost pupil units for the school year. The proceeds of the levy must be reserved and  
31.15 used for directly funding the following purposes or for reimbursing the cities and counties  
31.16 who contract with the district for the following purposes: (1) to pay the costs incurred for  
31.17 the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in  
31.18 services in the district's schools; (2) to pay the costs for a drug abuse prevention program  
31.19 as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;  
31.20 (3) to pay the costs for a gang resistance education training curriculum in the district's  
31.21 schools; (4) to pay the costs for security in the district's schools and on school property; (5)  
31.22 to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary  
31.23 opt-in suicide prevention tools, and violence prevention measures taken by the school  
31.24 district; or (6) to pay costs for licensed school counselors, licensed school nurses, licensed  
31.25 school social workers, licensed school psychologists, and licensed alcohol and chemical  
31.26 dependency counselors to help provide early responses to problems. For expenditures  
31.27 under clause (1), the district must initially attempt to contract for services to be provided  
31.28 by peace officers or sheriffs with the police department of each city or the sheriff's  
31.29 department of the county within the district containing the school receiving the services. If  
31.30 a local police department or a county sheriff's department does not wish to provide the  
31.31 necessary services, the district may contract for these services with any other police or  
31.32 sheriff's department located entirely or partially within the school district's boundaries.

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

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

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

32.14 Sec. 34. Minnesota Statutes 2006, section 126C.51, is amended to read:

32.15 **126C.51 APPLICATION OF LIMITING TAX LEGISLATION.**

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

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

32.23 Sec. 35. Minnesota Statutes 2006, section 126C.52, subdivision 2, is amended to read:

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

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

33.1 Sec. 36. Minnesota Statutes 2006, section 126C.52, is amended by adding a  
33.2 subdivision to read:

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

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

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

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

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

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

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

33.20 Sec. 37. Minnesota Statutes 2006, section 126C.53, is amended to read:

33.21 **126C.53 ENABLING RESOLUTION; FORM OF CERTIFICATES OF**  
33.22 **INDEBTEDNESS.**

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

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

34.1 Sec. 38. Minnesota Statutes 2006, section 126C.55, is amended to read:

34.2 **126C.55 STATE PAYMENT OF DEBT OBLIGATION UPON POTENTIAL**  
34.3 **DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.**

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

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

34.9 Subd. 2. **Notifications; payment; appropriation.** (a) If a school district or  
34.10 intermediate school district believes that it may be unable to make a principal or interest  
34.11 payment on any outstanding debt obligation on the date that payment is due, it must  
34.12 notify the commissioner as soon as possible, but not less than 15 working days before the  
34.13 date that principal or interest payment is due. The notice must include the name of the  
34.14 school district or intermediate school district, an identification of the debt obligation issue  
34.15 in question, the date the payment is due, the amount of principal and interest due on the  
34.16 payment date, the amount of principal or interest that the school district or intermediate  
34.17 school district will be unable to repay on that date, the paying agent for the debt obligation,  
34.18 the wire transfer instructions to transfer funds to that paying agent, and an indication as to  
34.19 whether a payment is being requested by the school district or intermediate school district  
34.20 under this section. If a paying agent becomes aware of a potential default, it shall inform  
34.21 the commissioner of that fact. After receipt of a notice which requests a payment under  
34.22 this section, after consultation with the school district or intermediate school district and  
34.23 the paying agent, and after verification of the accuracy of the information provided, the  
34.24 commissioner shall notify the commissioner of finance of the potential default. The notice  
34.25 must include a final figure as to the amount due that the school district or intermediate  
34.26 school district will be unable to repay on the date due.

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

34.32 (c) The Departments of Education and Finance must jointly develop detailed  
34.33 procedures for school districts and intermediate school districts to notify the state that  
34.34 they have obligated themselves to be bound by the provisions of this section, procedures  
34.35 for school districts or intermediate school districts and paying agents to notify the state  
34.36 of potential defaults and to request state payment under this section, and procedures

35.1 for the state to expedite payments to prevent defaults. The procedures are not subject  
35.2 to chapter 14.

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

35.11 Subd. 4. **Pledge of district's full faith and credit.** If, at the request of a school  
35.12 district or intermediate school district, the state has paid part or all of the principal or  
35.13 interest due on a district's debt obligation on a specific date, the pledge of the full faith  
35.14 and credit and unlimited taxing powers of the school district or the intermediate school  
35.15 district to repay the principal and interest due on those debt obligations shall also, without  
35.16 an election or the requirement of a further authorization, become a pledge of the full faith  
35.17 and credit and unlimited taxing powers of the school district or the intermediate school  
35.18 district to repay to the state the amount paid, with interest. Amounts paid by the state must  
35.19 be repaid in the order in which the state payments were made.

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

35.27 (b) For an intermediate school district, the state aid payable to the intermediate  
35.28 school district must first be reduced, before any reduction is made to the state aids payable  
35.29 to the member districts. If the state aid payable to the intermediate school district is  
35.30 not sufficient to repay the state, state aid payable to member districts may be reduced  
35.31 proportionately based on the ratio of each member district's adjusted net tax capacity to  
35.32 the total adjusted net tax capacity of all member districts.

35.33 (c) If, after review of the financial situation of the school district or intermediate  
35.34 school district, the commissioner advises the commissioner of finance that a total reduction  
35.35 of aids would cause an undue hardship on or an undue disruption of the educational  
35.36 program of the district, the commissioner, with the approval of the commissioner of

36.1 finance, may establish a different schedule for reduction of aids to repay the state. The  
36.2 amount of aids to be reduced is decreased by any amounts repaid to the state by the district  
36.3 from other revenue sources.

36.4 Subd. 6. **Tax levy for repayment.** (a) With the approval of the commissioner, a  
36.5 district may levy in the year the state makes a payment under this section an amount up to  
36.6 the amount necessary to provide funds for the repayment of the amount paid by the state  
36.7 plus interest through the date of estimated repayment by the district. The proceeds of this  
36.8 levy may be used only for this purpose unless they are in excess of the amount actually  
36.9 due, in which case the excess shall be used to repay other state payments made under this  
36.10 section or shall be deposited in the debt redemption fund of the school district. This levy  
36.11 shall be an increase in the levy limits of the district for purposes of section 275.065,  
36.12 subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by  
36.13 the amount levied. This levy by the district is not eligible for debt service equalization  
36.14 under section 123B.53.

36.15 (b) If the state is not repaid in full for a payment made under this section by  
36.16 November 30 of the calendar year following the year in which the state makes the  
36.17 payment, the commissioner shall require the district to certify a property tax levy in an  
36.18 amount up to the amount necessary to provide funds for repayment of the amount paid by  
36.19 the state plus interest through the date of estimated repayment by the school district. To  
36.20 prevent undue hardship, the commissioner may allow the district to certify the levy over a  
36.21 five-year period. The proceeds of the levy may be used only for this purpose unless they  
36.22 are in excess of the amount actually due, in which case the excess shall be used to repay  
36.23 other state payments made under this section or shall be deposited in the debt redemption  
36.24 fund of the district. This levy shall be an increase in the levy limits of the school district  
36.25 for purposes of section 275.065, subdivision 6. If the commissioner orders the district  
36.26 to levy, the amount of aids reduced to repay the state shall be decreased by the amount  
36.27 levied. This levy by the district is not eligible for debt service equalization under section  
36.28 123B.53 or any successor provision. A levy under this subdivision must be explained as a  
36.29 specific increase at the meeting required under section 275.065, subdivision 6.

36.30 (c) For an intermediate school district, a levy made by a member school district  
36.31 under paragraph (a) or (b) to repay its pro rata share must be spread by the commissioner  
36.32 as a tax rate based on the total adjusted net tax capacity of the member school districts. The  
36.33 proceeds of the levy must be remitted by the member school district to the intermediate  
36.34 school district and must be used by the intermediate school district only to repay the state  
36.35 amounts owed. Any amount in excess of the amount owed to the state must be repaid

37.1 to the member school districts and the commissioner shall adjust each member school  
37.2 district's property tax levy in the next year.

37.3       Subd. 7. **Election as to mandatory application.** A school district or intermediate  
37.4 school district may covenant and obligate itself, prior to the issuance of an issue of debt  
37.5 obligations, to notify the commissioner of a potential default and to use the provisions of  
37.6 this section to guarantee payment of the principal and interest on those debt obligations  
37.7 when due. If the school district or intermediate school district obligates itself to be bound  
37.8 by this section, it must covenant in the resolution that authorizes the issuance of the debt  
37.9 obligations to deposit with the paying agent three business days prior to the date on which  
37.10 a payment is due an amount sufficient to make that payment or to notify the commissioner  
37.11 under subdivision 1 that it will be unable to make all or a portion of that payment. A school  
37.12 district or intermediate school district that has obligated itself must include a provision in  
37.13 its agreement with the paying agent for that issue that requires the paying agent to inform  
37.14 the commissioner if it becomes aware of a potential default in the payment of principal or  
37.15 interest on that issue or if, on the day two business days prior to the date a payment is due  
37.16 on that issue, there are insufficient funds to make the payment on deposit with the paying  
37.17 agent. Funds invested in a refunding escrow account established under section 475.67 that  
37.18 are to become available to the paying agent on a principal or interest payment date are  
37.19 deemed to be on deposit with the paying agent three business days before the payment  
37.20 date. If a school district or intermediate school district either covenants to be bound by  
37.21 this section or accepts state payments under this section to prevent a default of a particular  
37.22 issue of debt obligations, the provisions of this section shall be binding as to that issue  
37.23 as long as any debt obligation of that issue remain outstanding. If the provisions of this  
37.24 section are or become binding for more than one issue of debt obligations and a school  
37.25 district or intermediate school district is unable to make payments on one or more of those  
37.26 issues, the district must continue to make payments on the remaining issues.

37.27       Subd. 8. **Mandatory plan; technical assistance.** If the state makes payments  
37.28 on behalf of a school district or intermediate school district under this section or the  
37.29 district defaults in the payment of principal or interest on an outstanding debt obligation, it  
37.30 must submit a plan to the commissioner for approval specifying the measures it intends  
37.31 to implement to resolve the issues which led to its inability to make the payment and  
37.32 to prevent further defaults. The department must provide technical assistance to the  
37.33 school district or intermediate school district in preparing its plan. If the commissioner  
37.34 determines that a district's plan is not adequate, the commissioner shall notify the school  
37.35 district or intermediate school district that the plan has been disapproved, the reasons for  
37.36 the disapproval, and that the state shall not make future payments under this section for

38.1 debt obligations issued after the date specified in that notice until its plan is approved.  
38.2 The commissioner may also notify the school district or intermediate school district that  
38.3 until its plan is approved, other aids due the district will be withheld after a date specified  
38.4 in the notice.

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

38.10 Subd. 10. **Continuing disclosure agreements.** The commissioner of finance  
38.11 may enter into written agreements or contracts relating to the continuing disclosure of  
38.12 information needed to facilitate the ability of school districts or intermediate school  
38.13 districts to issue debt obligations according to federal securities laws, rules, and  
38.14 regulations, including securities and exchange commission rules and regulations, section  
38.15 240.15c2-12. Such agreements or contracts may be in any form the commissioner of  
38.16 finance deems reasonable and in the state's best interests.

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

38.18 Sec. 39. **[127A.331] SCHOOL ENDOWMENT FUND; USE OF REVENUE.**

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

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

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

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

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

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

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

38.31 Sec. 40. Minnesota Statutes 2006, section 127A.45, subdivision 16, is amended to read:

38.32 Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current  
38.33 year aid payment percentage of the amounts under section 123A.26, subdivision 3 and

39.1 section 124D.041, shall be paid in equal installments on August 30, December 30, and  
39.2 March 30, with a final adjustment payment on October 30 of the next fiscal year of the  
39.3 remaining amount.

39.4 **Sec. 41. [145.986] STATEWIDE HEALTH IMPROVEMENT PROGRAM.**

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

39.12 Subd. 2. **Funding local communities.** Beginning January 1, 2009, the  
39.13 commissioner of health must provide funding to community health boards to convene,  
39.14 coordinate, and lead locally developed programs targeted at achieving measurable health  
39.15 improvement goals. Funding to each community health board will be distributed based on  
39.16 a per capita formula, with a base allocation of \$50,000 to each community health board  
39.17 that receives funding. By January 15, 2011, the commissioner of health must recommend  
39.18 whether additional funding should be distributed to community health boards based on  
39.19 health disparities demonstrated in the populations served.

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

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

39.27 Subd. 4. **Media campaign.** The commissioner of health must conduct a statewide  
39.28 marketing campaign using public media to reinforce local efforts at addressing health  
39.29 improvement goals. The commissioner must develop the statewide campaigns and  
39.30 determine the timing of these campaigns in consultation with local public health  
39.31 representatives.

39.32 **Sec. 42.** Laws 2007, chapter 146, article 2, section 46, subdivision 13, is amended to  
39.33 read:

40.1 Subd. 13. **Preadvanced placement, advanced placement, international**  
 40.2 **baccalaureate, and concurrent enrollment programs.** For preadvanced placement,  
 40.3 advanced placement, international baccalaureate, and concurrent enrollment programs  
 40.4 under Minnesota Statutes, sections 120B.132 and 124D.091:

40.5 \$ 6,500,000 ..... 2008  
 40.6 \$ 6,500,000 ..... 2009

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

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

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

40.13 Sec. 43. Laws 2007, chapter 146, article 3, section 23, subdivision 2, is amended to  
 40.14 read:

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

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

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

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

40.32 Sec. 44. Laws 2007, chapter 146, article 3, section 24, subdivision 9, is amended to  
 40.33 read:

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

41.3 \$ ~~20,000~~ 40,000 ..... 2008

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

41.5 This is a onetime appropriation.

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

41.7 Sec. 45. Laws 2007, chapter 146, article 5, section 13, subdivision 5, is amended to  
41.8 read:

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

41.10 For fund balance replacement aid for Independent School District No. 2899,

41.11 Plainview-Elgin-Millville:

41.12 \$ ~~17,000~~ 24,000 ..... 2008

41.13 This is a onetime appropriation.

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

41.15 Sec. 46. Laws 2007, chapter 146, article 7, section 4, is amended to read:

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

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

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

41.21 \$ 22,169,000 ..... 2008

41.22 ~~22,653,000~~

41.23 \$ 21,761,000 ..... 2009

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

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

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

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

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

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

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

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

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

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

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

42.11 Sec. 47. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision  
 42.12 1, is amended to read:

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

42.14 The appropriations in this section are from  
 42.15 the general fund. The amounts that may be  
 42.16 spent for each purpose are specified in the  
 42.17 following subdivisions.

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

42.19 Sec. 48. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision  
 42.20 2, is amended to read:

42.21 Subd. 2. **Independent School District No. 239,**  
 42.22 **Rushford-Peterson**

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

42.24 The commissioner of education shall pay to  
 42.25 the school district flood enrollment impact  
 42.26 aid equal to \$5,394 times the number of  
 42.27 pupils lost as a result of the floods of August  
 42.28 2007. The district must provide to the  
 42.29 commissioner of education documentation  
 42.30 of the number of pupils in average daily  
 42.31 membership lost as a result of the flood.

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

43.1 For facilities cleanup, repair, and replacement  
 43.2 costs related to the floods of August 2007 not  
 43.3 covered by the district's insurance settlement  
 43.4 or through Federal Emergency Management  
 43.5 Agency payments. The commissioner of  
 43.6 education may request the school district  
 43.7 to provide necessary information before  
 43.8 awarding a grant.

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

43.10 For increased costs associated with  
 43.11 transporting students as a result of the floods  
 43.12 of August 2007.

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

43.14 Sec. 49. Laws 2007, First Special Session chapter 2, article 1, section 11, subdivision  
 43.15 6, is amended to read:

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

43.18 For facilities cleanup, repair, and replacement  
 43.19 costs related to the floods of August 2007 not  
 43.20 covered by the district's insurance settlement  
 43.21 or through Federal Emergency Management  
 43.22 Agency payments. The commissioner of  
 43.23 education may request the school district  
 43.24 to provide necessary information before  
 43.25 awarding a grant. School districts not  
 43.26 included in subdivisions 2 to 5 must be given  
 43.27 priority in the allocation of this appropriation.

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

43.29 Sec. 50. **FUND TRANSFERS.**

43.30 Subdivision 1. **Capital account transfers.** Notwithstanding any law to the contrary,  
 43.31 on June 30, 2008, a school district may transfer money from its reserved for operating  
 43.32 capital account to its undesignated balance in the general fund. The amount transferred

44.1 by any school district must not exceed \$51 times the district's adjusted marginal cost  
44.2 pupil units for fiscal year 2007. This transfer may occur only after the school board has  
44.3 adopted a written resolution stating the amount of the transfer and declaring that the  
44.4 school district's operating capital needs are being met.

44.5 Subd. 2. **Reserved for operating capital account transfer; Balaton school**  
44.6 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision  
44.7 1, on June 30, 2008, Independent School District No. 411, Balaton, may transfer up to  
44.8 \$70,000 from its reserved for operating capital account to its undesignated general fund  
44.9 balance.

44.10 Subd. 3. **Reserved for operating capital account transfer; East Central school**  
44.11 **district.** Notwithstanding Minnesota Statutes, section 123B.79 or 123B.80, or subdivision  
44.12 1, on June 30, 2008, Independent School District No. 2580, East Central, may transfer up  
44.13 to \$300,000 from its reserved for operating capital account to its undesignated general  
44.14 fund balance.

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

44.16 Sec. 51. **ONETIME GENERAL EDUCATION REVENUE INCREASE; FISCAL**  
44.17 **YEAR 2009 ONLY.**

44.18 A school district's general education revenue under Minnesota Statutes, section  
44.19 126C.10, is increased for fiscal year 2009 only by an amount equal to \$51 times the  
44.20 district's adjusted marginal cost pupil units for that year.

44.21 Sec. 52. **ALTERNATIVE TEACHER COMPENSATION AID.**

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

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

44.27 Sec. 53. **IMPLEMENTING A STUDENT GROWTH-BASED VALUE-ADDED**  
44.28 **SYSTEM.**

44.29 (a) To implement the requirements of Minnesota Statutes, section 120B.35,  
44.30 subdivision 3, paragraph (b), and to help parents and members of the public compare the  
44.31 reported data, the commissioner must convene a group of expert school district assessment  
44.32 and evaluation staff, including a recognized Minnesota assessment group composed

45.1 of assessment and evaluation directors and staff and researchers under Minnesota  
45.2 Statutes, section 120B.299, subdivision 6, and interested stakeholders, including school  
45.3 superintendents, school principals, school teachers, and parents to examine the actual  
45.4 statewide performance of students using Minnesota's growth-based value-added system  
45.5 and establish criteria for identifying schools and school districts that demonstrate  
45.6 accelerated growth in order to advance educators' professional development and replicate  
45.7 programs that succeed in meeting students' diverse learning needs.

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

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

45.14 **Sec. 54. IMPLEMENTING RIGOROUS COURSEWORK MEASURES**  
45.15 **RELATED TO STUDENT PERFORMANCE.**

45.16 (a) To implement the requirements of Minnesota Statutes, section 120B.35,  
45.17 subdivision 3, paragraph (c), clauses (1) and (2), and to help parents and members of the  
45.18 public compare the reported data, the commissioner of education must convene a group of  
45.19 recognized and qualified experts and interested stakeholders, including parents among  
45.20 other stakeholders, to develop a model projecting anticipated performance of each high  
45.21 school on preparation and rigorous coursework measures that compares the school with  
45.22 similar schools. The model must use information about entering high school students  
45.23 based on particular background characteristics that are predictive of differing rates of  
45.24 college readiness. These characteristics include grade 8 achievement levels, high school  
45.25 student mobility, high school student attendance, and the size of each entering ninth grade  
45.26 class. The group of experts and stakeholders may examine other characteristics not part  
45.27 of the prediction model including the nine student categories identified under the federal  
45.28 2001 No Child Left Behind Act, and two student gender categories of male and female,  
45.29 respectively. The commissioner annually must use the predicted level of entering students'  
45.30 performance to provide a context for interpreting graduating students' actual performance.  
45.31 The group convened under this section expires June 30, 2011.

45.32 (b) Consistent with paragraph (a), the commissioner also must propose an expanded  
45.33 high school student data system to report preparation and rigorous coursework measures  
45.34 and facilitate additional research on college readiness. This proposed data system must  
45.35 expect school districts and charter schools to report data to the state education department

46.1 on each course a high school student takes and completes. The commissioner must link  
46.2 the course data file to the department's existing student reporting system. The proposed  
46.3 data system must enable the commissioner to prepare detailed reports, consistent with the  
46.4 requirements in Minnesota Statutes, section 120B.35, subdivision 3, paragraph (d), clauses  
46.5 (1) and (2), and support the development of a state P-16 longitudinal data system.

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

46.8 Sec. 55. **IMPLEMENTING MEASURES FOR ASSESSING STUDENTS'**  
46.9 **SELF-REPORTED SENSE OF SCHOOL SAFETY, ENGAGEMENT IN**  
46.10 **SCHOOL, AND THE QUALITY OF RELATIONSHIPS WITH TEACHERS,**  
46.11 **ADMINISTRATORS, AND OTHER STUDENTS.**

46.12 (a) To implement the requirements of Minnesota Statutes, section 120B.35,  
46.13 subdivision 3, paragraph (d), and to help parents and members of the public compare the  
46.14 reported data, the commissioner of education, in consultation with interested stakeholders,  
46.15 including parents among other stakeholders, must convene a group of recognized and  
46.16 qualified experts to:

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

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

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

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

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

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

46.32 Sec. 56. **GROWTH-BASED VALUE-ADDED SYSTEM.**

47.1 The growth-based value-added system used by the commissioner of education to  
47.2 comply with Minnesota Statutes, section 120B.35, subdivision 3, paragraph (b), must  
47.3 be consistent with the growth-based value-added model contained in the document  
47.4 labeled "Educational Report Card Growth Model" developed in partnership with the  
47.5 Minnesota Department of Education. The document must be deposited with the  
47.6 Office of the Revisor of Statutes, the Legislative Reference Library, and the State Law  
47.7 Library, where the document shall be maintained until the commissioner implements the  
47.8 growth-based value-added system under Minnesota Statutes, section 120B.35, subdivision  
47.9 3, paragraph (b). The recognized Minnesota assessment group composed of assessment  
47.10 and evaluation directors and staff and researchers under Minnesota Statutes, section  
47.11 120B.299, subdivision 6, must determine whether the growth-based value-added model  
47.12 the commissioner uses to comply with Minnesota Statutes, section 120B.35, subdivision  
47.13 3, paragraph (b), is consistent with the deposited document and report its determination to  
47.14 the education committees of the house of representatives and senate by February 15, 2009.

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

47.16 Sec. 57. **EXPEDITED PROCESS; SPECIFIC LEARNING DISABILITIES**  
47.17 **RULE.**

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

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

47.24 Sec. 58. **ENDING PARTICIPATION IN NO CHILD LEFT BEHIND.**

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

47.30 Sec. 59. **APPROPRIATIONS.**

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

48.4 Subd. 2. **Additional general education revenue.** For additional general education  
48.5 aid according to section 51:

48.6 \$ 23,262,000 ..... 2009

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

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

48.9 Subd. 3. **Rushford-Peterson.** For a grant to Independent School District No.  
48.10 239, Rushford-Peterson, for school district flood enrollment impact aid and aid for the  
48.11 increased costs of transporting students as a result of the floods of August 2007.

48.12 \$ 158,000 ..... 2009

48.13 The base appropriation for fiscal year 2010 is \$158,000. The base appropriation for  
48.14 later years is zero.

48.15 Subd. 4. **Virginia.** For a grant to Independent School District No. 701, Virginia, for  
48.16 emergency school facility repairs:

48.17 \$ 100,000 ..... 2009

48.18 This is a onetime appropriation.

48.19 Subd. 5. **Lancaster.** For a grant to Independent School District No. 356, Lancaster,  
48.20 to replace the loss of sparsity revenue:

48.21 \$ 100,000 ..... 2009

48.22 The base appropriation for fiscal years 2010 and 2011 is \$100,000 per year. The  
48.23 base appropriation for later fiscal years is zero.

48.24 Subd. 6. **Principal's Leadership Institute.** For a grant to the Principal's Leadership  
48.25 Institute under Minnesota Statutes, section 122A.74:

48.26 \$ 400,000 ..... 2009

48.27 The base appropriation for this program for fiscal year 2010 and later is \$400,000.

48.28 Subd. 7. **Board of Teaching; licensure by portfolio.** For the Board of Teaching  
48.29 for licensure by portfolio:

48.30 \$ 17,000 ..... 2009

49.1 This appropriation is from the educator licensure portfolio account of the special  
 49.2 revenue fund.

49.3 Sec. 60. **REPEALER.**

49.4 (a) Minnesota Statutes 2006, sections 121A.67; 125A.16; 125A.19; 125A.20; and  
 49.5 125A.57, are repealed.

49.6 (b) Laws 2006, chapter 263, article 3, section 16; and Laws 2007, First Special  
 49.7 Session chapter 2, article 1, section 11, subdivisions 3, and 4, are repealed.

49.8 **ARTICLE 2**  
 49.9 **FORECAST ADJUSTMENTS**

49.10 Section 1. Laws 2007, chapter 146, article 1, section 24, subdivision 2, is amended to  
 49.11 read:

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

49.14	<del>5,618,342,000</del>		
49.15	\$ <u>5,600,647,000</u>	.....	2008
49.16	<del>5,618,342,000</del>		
49.17	\$ <u>5,649,098,000</u>	.....	2009

49.18 The 2008 appropriation includes ~~\$531,733,000~~ \$536,251,000 for 2007 and  
 49.19 ~~\$5,073,250,000~~ \$5,064,396,000 for 2008.

49.20 The 2009 appropriation includes ~~\$546,314,000~~ \$543,752,000 for 2008 and  
 49.21 ~~\$5,072,028,000~~ \$5,105,346,000 for 2009.

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

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

49.25	\$ <del>870,000</del> <u>861,000</u>	.....	2008
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49.26 The 2008 appropriation includes ~~\$870,000~~ \$861,000 for 2007 and \$0 for 2008.

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

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

49.31	\$ <del>95,000</del> <u>48,000</u>	.....	2008
49.32	\$ <del>97,000</del> <u>50,000</u>	.....	2009

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

50.2 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
50.3 127A.49:

50.4		<del>1,343,000</del>		
50.5	\$	<u>1,333,000</u>	.....	2008
50.6		<del>1,347,000</del>		
50.7	\$	<u>1,629,000</u>	.....	2009

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

50.10 The 2009 appropriation includes ~~\$140,000~~ \$139,000 for 2008 and ~~\$1,207,000~~  
50.11 \$1,490,000 for 2009.

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

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

50.15	\$	<del>565,000</del> <u>240,000</u>	.....	2008
50.16	\$	<del>212,000</del> <u>339,000</u>	.....	2009

50.17 The 2008 appropriation includes \$43,000 for 2007 and ~~\$522,000~~ \$197,000 for 2008.

50.18 The 2009 appropriation includes ~~\$57,000~~ \$21,000 for 2008 and ~~\$155,000~~ \$318,000  
50.19 for 2009.

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

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

50.23		<del>16,290,000</del>		
50.24	\$	<u>15,601,000</u>	.....	2008
50.25		<del>16,620,000</del>		
50.26	\$	<u>16,608,000</u>	.....	2009

50.27 The 2008 appropriation includes ~~\$1,606,000~~ \$1,214,000 for 2007 and ~~\$14,684,000~~  
50.28 \$14,387,000 for 2008.

50.29 The 2009 appropriation includes ~~\$1,631,000~~ \$1,598,000 for 2008 and ~~\$14,989,000~~  
50.30 \$15,010,000 for 2009.

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

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

51.1 21,551,000  
 51.2 \$ 20,755,000 ..... 2008  
 51.3 21,392,000  
 51.4 \$ 21,007,000 ..... 2009

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

51.7 The 2009 appropriation includes ~~\$2,158,000~~ \$2,070,000 for 2008 and ~~\$19,234,000~~  
 51.8 \$18,937,000 for 2009.

51.9 **B. EDUCATION EXCELLENCE**

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

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

51.13 31,875,000  
 51.14 \$ 32,817,000 ..... 2008  
 51.15 36,193,000  
 51.16 \$ 37,527,000 ..... 2009

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

51.19 The 2009 appropriation includes ~~\$3,229,000~~ \$3,333,000 for 2008 and ~~\$32,964,000~~  
 51.20 \$34,194,000 for 2009.

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

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

51.24 1,896,000  
 51.25 \$ 1,801,000 ..... 2008  
 51.26 2,161,000  
 51.27 \$ 1,987,000 ..... 2009

51.28 The 2008 appropriation includes ~~\$241,000~~ \$239,000 for 2007 and ~~\$1,655,000~~  
 51.29 \$1,562,000 for 2008.

51.30 The 2009 appropriation includes ~~\$183,000~~ \$173,000 for 2008 and ~~\$1,978,000~~  
 51.31 \$1,814,000 for 2009.

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

52.1 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section  
 52.2 124D.86, subdivision 5:

52.3		<del>61,769,000</del>		
52.4	\$	<u>59,036,000</u>	.....	2008
52.5		<del>61,000,000</del>		
52.6	\$	<u>62,448,000</u>	.....	2009

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

52.9 The 2009 appropriation includes ~~\$6,216,000~~ \$5,912,000 for 2008 and ~~\$54,784,000~~  
 52.10 \$56,536,000 for 2009.

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

52.13 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
 52.14 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
 52.15 section 124D.87:

52.16		<del>9,639,000</del>		
52.17	\$	<u>9,901,000</u>	.....	2008
52.18		<del>11,567,000</del>		
52.19	\$	<u>11,881,000</u>	.....	2009

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

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

52.24		<del>2,238,000</del>		
52.25	\$	<u>2,207,000</u>	.....	2008
52.26		<del>2,422,000</del>		
52.27	\$	<u>2,392,000</u>	.....	2009

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

52.30 The 2009 appropriation includes ~~\$226,000~~ \$222,000 for 2008 and ~~\$2,196,000~~  
 52.31 \$2,170,000 for 2009.

52.32 **C. SPECIAL PROGRAMS**

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

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

53.4		<del>1,538,000</del>		
53.5	\$	<u>2,086,000</u>	.....	2008
53.6		<del>1,729,000</del>		
53.7	\$	<u>2,282,000</u>	.....	2009

53.8 If the appropriation for either year is insufficient, the appropriation for the other  
 53.9 year is available.

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

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

53.14	\$	<del>254,000</del> <u>207,000</u>	.....	2008
53.15	\$	<del>284,000</del> <u>227,000</u>	.....	2009

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

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

53.19 **D. FACILITIES AND TECHNOLOGY**

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

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

53.24	\$	<del>190,000</del> <u>254,000</u>	.....	2008
53.25	\$	<del>179,000</del> <u>103,000</u>	.....	2009

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

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

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

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

54.1 ~~14,813,000~~  
 54.2 \$ 14,814,000 ..... 2008  
 54.3 ~~11,124,000~~  
 54.4 \$ 9,109,000 ..... 2009

54.5 The 2008 appropriation includes ~~\$1,767,000~~ \$1,766,000 for 2007 and ~~\$13,046,000~~  
 54.6 \$13,048,000 for 2008.

54.7 The 2009 appropriation includes ~~\$1,450,000~~ \$1,449,000 for 2008 and ~~\$9,674,000~~  
 54.8 \$7,660,000 for 2009.

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

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

54.13 ~~3,290,000~~  
 54.14 \$ 3,232,000 ..... 2008  
 54.15 ~~2,667,000~~  
 54.16 \$ 2,627,000 ..... 2009

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

54.18 The 2009 appropriation includes ~~\$365,000~~ \$359,000 for 2008 and ~~\$2,302,000~~  
 54.19 \$2,268,000 for 2009.

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

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

54.24 ~~38,145,000~~  
 54.25 \$ 38,236,000 ..... 2008  
 54.26 ~~52,676,000~~  
 54.27 \$ 52,454,000 ..... 2009

54.28 This is a onetime appropriation.

54.29 **E. NUTRITION AND ACCOUNTING**

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

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

55.1 ~~12,022,000~~  
 55.2 \$ 12,094,000 ..... 2008  
 55.3 ~~12,166,000~~  
 55.4 \$ 12,394,000 ..... 2009

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

55.7 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
 55.8 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
 55.9 124D.118:

55.10 ~~5,460,000~~  
 55.11 \$ 5,583,000 ..... 2008  
 55.12 ~~5,695,000~~  
 55.13 \$ 5,994,000 ..... 2009

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

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

55.18 \$ ~~150,000~~ 127,000 ..... 2008  
 55.19 \$ 150,000 ..... 2009

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

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

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

55.25 ~~21,106,000~~  
 55.26 \$ 21,092,000 ..... 2008  
 55.27 ~~29,601,000~~  
 55.28 \$ 29,324,000 ..... 2009

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

55.31 The 2009 appropriation includes ~~\$2,145,000~~ \$2,144,000 for 2008 and ~~\$27,456,000~~  
 55.32 \$27,180,000 for 2009.

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

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

56.5		<del>9,995,000</del>		
56.6	\$	<u>9,987,000</u>	.....	2008
56.7	\$	10,095,000	.....	2009

56.8 The 2008 appropriation includes ~~\$909,000~~ \$901,000 for 2007 and \$9,086,000 for  
 56.9 2008.

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

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

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

56.15		<del>3,159,000</del>		
56.16	\$	<u>2,624,000</u>	.....	2008
56.17		<del>3,330,000</del>		
56.18	\$	<u>2,656,000</u>	.....	2009

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

56.21 The 2009 appropriation includes ~~\$319,000~~ \$259,000 for 2008 and ~~\$3,011,000~~  
 56.22 \$2,397,000 for 2009.

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

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

56.27		<del>1,307,000</del>		
56.28	\$	<u>1,299,000</u>	.....	2008
56.29	\$	<del>816,000</del> <u>796,000</u>	.....	2009

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

56.32 The 2009 appropriation includes ~~\$123,000~~ \$122,000 for 2008 and ~~\$693,000~~  
 56.33 \$674,000 for 2009.

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

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

57.5 \$ ~~710,000~~ 709,000 ..... 2008

57.6 \$ 710,000 ..... 2009

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

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

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

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

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

57.16 ~~40,347,000~~

57.17 \$ 40,344,000 ..... 2008

57.18 ~~41,745,000~~

57.19 \$ 41,712,000 ..... 2009

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

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