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## State of Minnesota

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## HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH  
SESSION

HOUSE FILE NO. 6

January 8, 2007

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

April 12, 2007

Committee Recommendation and Adoption of Report: To Pass as Amended and re-referred to the Committee on Taxes

April 13, 2007

Committee Recommendation and Adoption of Report: To Pass as Amended and re-referred to the Committee on Ways and Means

April 17, 2007

Committee Recommendation and Adoption of Report: To Pass as Amended and Read Second Time

April 18, 2007

Fiscal Calendar

Amended

Read Third Time as Amended

Passed by the House as Amended and transmitted to the Senate to include Floor Amendments

## A bill for an act

relating to education; providing for early childhood, family, adult, and  
prekindergarten through grade 12 education including general education,  
education excellence, special programs, facilities and technology, nutrition  
and accounting, libraries, state agencies, forecast adjustments, technical and  
conforming amendments, pupil transportation standards, and early childhood  
and adult programs; providing for task force and advisory groups; requiring  
school districts to give employees who are veterans the option to take personal  
leave on Veteran's Day and encouraging private employers to give employees  
who are veterans a day off with pay on Veteran's Day; requiring reports;  
authorizing rulemaking; funding parenting time centers; funding lead hazard  
reduction; appropriating money; amending Minnesota Statutes 2006, sections  
13.32, by adding a subdivision; 16A.152, subdivision 2; 119A.50, by adding a  
subdivision; 119A.52; 119A.535; 120A.22, subdivision 7; 120B.021, subdivision  
1; 120B.023, subdivision 2; 120B.024; 120B.11, subdivision 5; 120B.132;  
120B.15; 120B.30; 120B.31, subdivision 3; 120B.36, subdivision 1; 121A.17,  
subdivision 5; 121A.22, subdivisions 1, 3, 4; 122A.16; 122A.18, by adding a  
subdivision; 122A.20, subdivision 1; 122A.414, subdivisions 1, 2; 122A.415,  
subdivision 1; 122A.60, subdivision 3; 122A.61, subdivision 1; 122A.628,  
subdivision 2; 122A.72, subdivision 5; 123A.73, subdivision 8; 123B.02,  
by adding a subdivision; 123B.10, subdivision 1, by adding a subdivision;  
123B.143, subdivision 1; 123B.36, subdivision 1; 123B.37, subdivision 1;  
123B.49, subdivision 4; 123B.53, subdivisions 1, 4, 5; 123B.54; 123B.57,  
subdivision 3; 123B.63, subdivision 3; 123B.77, subdivision 4; 123B.79,  
subdivisions 6, 8, by adding a subdivision; 123B.81, subdivisions 2, 4, 7;  
123B.83, subdivision 2; 123B.88, subdivision 12; 123B.90, subdivision 2;  
123B.92, subdivisions 1, 3, 5; 124D.095, subdivisions 2, 3, 4, 7; 124D.10,  
subdivisions 4, 8, 23a, 24; 124D.11, subdivision 1; 124D.111, subdivision 1;  
124D.128, subdivisions 1, 2, 3; 124D.13, subdivisions 1, 2, 11, by adding a  
subdivision; 124D.135, subdivisions 1, 3, 5; 124D.16, subdivision 2; 124D.175;  
124D.34, subdivision 7; 124D.4531; 124D.454, subdivisions 2, 3; 124D.531,  
subdivisions 1, 4; 124D.55; 124D.56, subdivisions 1, 2, 3; 124D.59, subdivision  
2; 124D.65, subdivisions 5, 11; 124D.84, subdivision 1; 125A.11, subdivision 1;  
125A.13; 125A.14; 125A.39; 125A.42; 125A.44; 125A.45; 125A.63, by adding  
a subdivision; 125A.75, subdivisions 1, 4; 125A.76, subdivisions 1, 2, 4, 5,  
by adding a subdivision; 125A.79, subdivisions 1, 5, 6, 8; 125B.15; 126C.01,  
subdivision 9, by adding subdivisions; 126C.05, subdivisions 1, 8, 15; 126C.10,  
subdivisions 1, 2, 2a, 2b, 4, 13a, 18, 24, 34, by adding a subdivision; 126C.126;  
126C.13, subdivision 4; 126C.15, subdivision 2; 126C.17, subdivisions 6,

9; 126C.21, subdivisions 3, 5; 126C.41, by adding a subdivision; 126C.44; 126C.48, subdivisions 2, 7; 127A.441; 127A.47, subdivisions 7, 8; 127A.48, by adding a subdivision; 127A.49, subdivisions 2, 3; 128D.11, subdivision 3; 134.31, by adding a subdivision; 134.34, subdivision 4; 134.355, subdivision 9; 169.01, subdivision 6, by adding a subdivision; 169.443, by adding a subdivision; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivisions 13, 20; 171.02, subdivisions 2, 2a; 171.321, subdivision 4; 205A.03, subdivision 1; 205A.05, subdivision 1; 205A.06, subdivision 1a; 272.029, by adding a subdivision; 273.11, subdivision 1a; 273.1393; 275.065, subdivisions 1, 1a, 3; 275.07, subdivision 2; 275.08, subdivision 1b; 276.04, subdivision 2; 517.08, subdivision 1c; Laws 2005, First Special Session chapter 5, article 1, sections 50, subdivision 2; 54, subdivisions 2, as amended, 4, 5, as amended, 6, as amended, 7, as amended, 8, as amended; article 2, sections 81, as amended; 84, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended, 10, as amended; article 3, section 18, subdivisions 2, as amended, 3, as amended, 4, as amended, 6, as amended; article 4, section 25, subdivisions 2, as amended, 3, as amended; article 5, section 17, subdivision 3, as amended; article 7, section 20, subdivisions 2, as amended, 3, as amended, 4, as amended; article 8, section 8, subdivisions 2, as amended, 5, as amended; article 9, section 4, subdivision 2; Laws 2006, chapter 263, article 3, section 15; Laws 2006, chapter 282, article 2, section 28, subdivision 4; article 3, section 4, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 119A; 121A; 122A; 123B; 124D; 135A; repealing Minnesota Statutes 2006, sections 120B.233; 121A.23; 123A.22, subdivision 11; 123B.81, subdivision 8; 124D.06; 124D.081, subdivisions 1, 2, 3, 4, 5, 6, 9; 124D.454, subdivisions 4, 5, 6, 7; 124D.531, subdivision 5; 124D.62; 125A.10; 125A.75, subdivision 6; 125A.76, subdivision 3; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

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

## ARTICLE 1

### GENERAL EDUCATION

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

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

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

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

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

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph ~~(c)~~ (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount.

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

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

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

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

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

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

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

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

4.2 Subdivision 1. **Program established.** A learning year program provides instruction  
4.3 throughout the year on an extended year calendar, extended school day calendar, or  
4.4 both. A pupil may participate in the program and accelerate attainment of grade level  
4.5 requirements or graduation requirements. A learning year program may begin after the  
4.6 close of the regular school year in June. The program may be for students in one or more  
4.7 grade levels from kindergarten through grade 12.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

5.20 **124D.4531 CAREER AND TECHNICAL ~~LEVY~~ REVENUE.**

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

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

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

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

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

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

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

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

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

(vii) specialized vocational instructional supplies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(b) A district's limited English proficiency programs revenue equals the product of (1) ~~\$700 in fiscal year 2004 and later~~ the limited English proficiency allowance times (2)

the greater of 20 or the adjusted marginal cost average daily membership of eligible pupils of limited English proficiency enrolled in the district during the current fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

excused. However, a pupil, regardless of age, who has been absent from school for 15 consecutive school days during the regular school year or for five consecutive school days during summer school or intersession classes of flexible school year programs without receiving instruction in the home or hospital shall be dropped from the roll and classified as withdrawn. Nothing in this section shall be construed as waiving the compulsory attendance provisions cited in section 120A.22. Average daily membership equals the sum for all pupils of the number of days of the school year each pupil is enrolled in the district's schools divided by the number of days the schools are in session. Days of summer school or intersession classes of flexible school year programs are only included in the computation of membership for pupils with a disability not appropriately served primarily in the regular classroom. A student must not be counted as more than ~~1.2~~ 1.5 pupils in average daily membership under this section. When the initial total average daily membership exceeds ~~1.2~~ 1.5 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

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

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

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

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

11.1 2009 and later; and (iv) the greater of 425 hours or the number of hours required for all  
11.2 kindergarten pupils for fiscal year 2008 and for a half-day kindergarten student without a  
11.3 disability to 425 for a kindergarten student without a disability. Hours that occur after  
11.4 the close of the instructional year in June shall be attributable to the following fiscal year.  
11.5 A kindergarten student must not be counted as more than 1.2 pupils in average daily  
11.6 membership under this subdivision. A student in grades 1 through 12 must not be counted  
11.7 as more than ~~1.2~~ 1.5 pupils in average daily membership under this subdivision.

11.8 (b)(i) To receive general education revenue for a pupil in an alternative program  
11.9 that has an independent study component, a district must meet the requirements in this  
11.10 paragraph. The district must develop, for the pupil, a continual learning plan consistent  
11.11 with section 124D.128, subdivision 3. Each school district that has a state-approved public  
11.12 alternative program must reserve revenue in an amount equal to at least 90 percent of the  
11.13 district average general education revenue per pupil unit less compensatory revenue per  
11.14 pupil unit times the number of pupil units generated by students attending a state-approved  
11.15 public alternative program. The amount of reserved revenue available under this  
11.16 subdivision may only be spent for program costs associated with the state-approved public  
11.17 alternative program. Compensatory revenue must be allocated according to section  
11.18 126C.15, subdivision 2.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

- 13.15 (1) the basic formula allowance for that year;
- 13.16 (2) the district's adjusted marginal cost pupil units for that year; and
- 13.17 (3) the district's location equity index minus one.
- 13.18 (b) The total annual revenue for this subdivision must not exceed \$500,000.
- 13.19 (c) If the revenue required under paragraph (b) is insufficient to fund the formula in  
13.20 paragraph (a), the commissioner of education must proportionately reduce each district's  
13.21 aid payment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16.1 ~~(2) operating capital aid according to section 126C.10, subdivision 13b;~~

16.2 ~~(3) equity aid according to section 126C.10, subdivision 30;~~

16.3 ~~(4) transition aid according to section 126C.10, subdivision 33;~~

16.4 ~~(5) shared time aid according to section 126C.01, subdivision 7;~~

16.5 ~~(6) referendum aid according to section 126C.17; and~~

16.6 ~~(7) online learning aid according to section 124D.096.~~

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

16.9 (1) general education revenue, excluding equity revenue, total operating capital  
16.10 revenue, alternative teacher compensation revenue, and transition revenue;

16.11 (2) operating capital aid under section 126C.10, subdivision 13b;

16.12 (3) equity aid under section 126C.10, subdivision 30;

16.13 (4) alternative teacher compensation aid under section 126C.10, subdivision 36;

16.14 (5) transition aid under section 126C.10, subdivision 33;

16.15 (6) shared time aid under section 126C.01, subdivision 7;

16.16 (7) referendum aid under section 126C.17, subdivisions 7 and 7a; and

16.17 (8) online learning aid according to section 124D.096.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

21.18 **127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.**

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

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

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

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

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

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

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

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

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

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

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

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

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

24.4 (1) the product of: (i) the sum of an amount equal to the product of the formula  
 24.5 allowance according to section 126C.10, subdivision 2, times ~~0.485~~ .0416, plus the  
 24.6 transportation sparsity allowance for the district; times (ii) the adjusted marginal cost  
 24.7 pupil units attributable to the pupil; plus

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

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

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

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

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

24.25 (2) the ratio of:

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

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

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

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

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

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

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

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

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

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

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

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

25.16 (ii) the total amount of the district's certified levy in the third preceding December,  
 25.17 plus or minus auditor's adjustments.

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

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

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

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

25.27 (2) the ratio of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26.31 Sec. 36. Minnesota Statutes 2006, section 205A.05, subdivision 1, is amended to read:

26.32 Subdivision 1. **Questions.** Special elections must be held for a school district on a  
26.33 question on which the voters are authorized by law to pass judgment. The school board  
26.34 may on its own motion call a special election to vote on any matter requiring approval of  
26.35 the voters of a district. Upon petition of 50 or more voters of the school district or five

27.1 percent of the number of voters voting at the preceding ~~regular~~ school district general  
27.2 election, whichever is greater, the school board shall by resolution call a special election  
27.3 to vote on any matter requiring approval of the voters of a district. A question is carried  
27.4 only with the majority in its favor required by law. The election officials for a special  
27.5 election are the same as for the most recent school district general election unless changed  
27.6 according to law. Otherwise, special elections must be conducted and the returns made  
27.7 in the manner provided for the school district general election. A special election may  
27.8 not be held during the 30 days before and the 30 days after the state primary, during the  
27.9 30 days before and the 40 days after the state general election. In addition, a special  
27.10 election may not be held during the 20 days before and the 20 days after any regularly  
27.11 scheduled election of a municipality wholly or partially within the school district.  
27.12 Notwithstanding any other law to the contrary, the time period in which a special election  
27.13 must be conducted under any other law may be extended by the school board to conform  
27.14 with the requirements of this subdivision.

27.15 **EFFECTIVE DATE.** This section is effective the day following final enactment  
27.16 and applies to petitions for special election submitted 30 days after that date and later.

27.17 Sec. 37. Minnesota Statutes 2006, section 272.029, is amended by adding a subdivision  
27.18 to read:

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

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

27.24 Sec. 38. Laws 2005, First Special Session chapter 5, article 1, section 50, subdivision  
27.25 2, is amended to read:

27.26 Subd. 2. **Application process.** Independent School Districts Nos. 11,  
27.27 Anoka-Hennepin; 279, Osseo; 281, Robbinsdale; 286, Brooklyn Center; 535, Rochester;  
27.28 and 833, South Washington may submit an application to the commissioner of education  
27.29 ~~by August 15, 2005~~, for a plan to allocate compensatory revenue to school sites based  
27.30 on student performance. The application must include a written resolution approved by  
27.31 the school board that: (1) identifies the test results that will be used to assess student  
27.32 performance; (2) describes the method for distribution of compensatory revenue to the  
27.33 school sites; and (3) summarizes the evaluation procedure the district will use to determine

28.1 if the redistribution of compensatory revenue improves overall student performance. The  
28.2 application must be submitted in the form and manner specified by the commissioner. The  
28.3 commissioner must notify the selected school districts ~~by September 1, 2005~~ within 90  
28.4 days of receipt of their application.

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

28.6 Sec. 39. Laws 2006, chapter 282, article 3, section 4, subdivision 2, is amended to read:

28.7 Subd. 2. **Onetime energy assistance aid.** For onetime energy assistance aid under  
28.8 section 3:

28.9			<del>2007</del>
28.10	\$ 3,495,000	.....	<u>2006</u>

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

28.13 Sec. 40. **SCHOOL FINANCE REFORM; TASK FORCE ESTABLISHED.**

28.14 **Subdivision 1. Task force established.** A School Finance Reform Task Force  
28.15 is established.

28.16 **Subd. 2. Task force goals.** The goals of the School Finance Reform Task Force  
28.17 include:

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

28.20 (2) simplifying the remaining school formulas;

28.21 (3) analyzing categorical funding formulas, including but not limited to pupil  
28.22 transportation, compensatory revenue, and limited English proficiency revenue;

28.23 (4) establishing a schedule for implementation of the other new formulas; and

28.24 (5) examining the role of the regional delivery structure including the functions  
28.25 performed by intermediate school districts, service cooperatives, education districts, and  
28.26 other cooperative organizations.

28.27 **Subd. 3. Task force members.** The task force consists of nine members.

28.28 Membership includes the commissioner of education, four members appointed according  
28.29 to the rules of the senate by the Senate Committee on Rules and Administration  
28.30 Subcommittee on Committees, and four members appointed by the speaker of the house.

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



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

29.2 Sec. 41. **CHARTER SCHOOL PUPIL TRANSPORTATION.**

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

29.10 Sec. 42. **APPROPRIATIONS.**

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

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

29.16 \$ 5,654,187,000 ..... 2008

29.17 \$ 5,977,201,000 ..... 2009

29.18 The 2008 appropriation includes \$531,733,000 for 2007 and \$5,122,454,000 for  
29.19 2008.

29.20 The 2009 appropriation includes \$550,550,000 for 2008 and \$5,426,651,000 for  
29.21 2009.

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

29.24 \$ 870,000 ..... 2008

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

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

29.29 \$ 95,000 ..... 2008

29.30 \$ 97,000 ..... 2009

30.1            Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
30.2 127A.49:

30.3            \$        1,343,000    ..... 2008

30.4            \$        1,347,000    ..... 2009

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

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

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

30.9            \$        565,000    ..... 2008

30.10           \$        212,000    ..... 2009

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

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

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

30.15           \$        16,349,000   ..... 2008

30.16           \$        16,803,000   ..... 2009

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

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

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

30.21           \$        21,747,000   ..... 2008

30.22           \$        21,993,000   ..... 2009

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

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

30.25           Subd. 9. **One-room schoolhouse.** For a grant to Independent School District No.  
30.26 690, Warroad, to operate the Angle Inlet School:

30.27           \$        50,000    ..... 2008

30.28           \$        50,000    ..... 2009

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

30.31           \$        120,000    ..... 2008

30.32           \$        100,000    ..... 2009

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

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

31.3            \$            100,000        ..... 2008

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

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

31.8            \$            2,175,000        ..... 2008

31.9            \$            2,175,000        ..... 2009

31.10           Of this amount, \$1,500,000 in each year is for a grant to Independent School District  
31.11 No. 11, Anoka-Hennepin; \$210,000 in each year is for a grant to Independent School  
31.12 District No. 279, Osseo; \$160,000 in each year is for a grant to Independent School  
31.13 District No. 281, Robbinsdale; \$75,000 in each year is for a grant to Independent School  
31.14 District No. 286, Brooklyn Center; \$165,000 in each year is for a grant to Independent  
31.15 School District No. 535, Rochester; and \$65,000 in each year is for a grant to Independent  
31.16 School District No. 833, South Washington.

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

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

31.20           Subd. 13. **School Finance Reform Task Force.** For the school finance reform task  
31.21 force under section 40:

31.22           \$            100,000        ..... 2008

31.23           This is a onetime appropriation.

31.24           Sec. 43. **REVISOR'S INSTRUCTION.**

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

31.27           Sec. 44. **REPEALER.**

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

31.29           (b) Minnesota Statutes 2006, section 124D.081, subdivisions 1, 2, 3, 4, 5, 6, and  
31.30 9, are repealed effective for revenue for fiscal year 2009.

## ARTICLE 2

## EDUCATION EXCELLENCE

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

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

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

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

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

(Signature of parent or guardian)

(Date)"

(c) For purposes of this section, "an individual" means one additional adult designated by a child's parent or guardian to attend school-related activities and conferences.

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

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

- 33.1 (1) work to prepare children to be successful learners;  
33.2 (2) work to close the achievement gap for at-risk children;  
33.3 (3) use an integrated approach to early literacy that daily offers a literacy-rich  
33.4 classroom learning environment composed of books, writing materials, writing centers,  
33.5 labels, rhyming, and other related literacy materials and opportunities;  
33.6 (4) support children's home language while helping the children master English and  
33.7 use multiple literacy strategies to provide a cultural bridge between home and school;  
33.8 (5) use literacy mentors, ongoing literacy groups, and other teachers and staff to  
33.9 provide appropriate, extensive professional development opportunities in early literacy  
33.10 and classroom strategies for preschool teachers and other preschool staff;  
33.11 (6) use ongoing data-based assessments that enable preschool teachers to understand,  
33.12 plan, and implement literacy strategies, activities, and curriculum that meet children's  
33.13 literacy needs and continuously improve children's literacy; and  
33.14 (7) foster participation by parents, community stakeholders, literacy advisors, and  
33.15 evaluation specialists.
- 33.16 Program providers are encouraged to collaborate with qualified, community-based  
33.17 early childhood providers in implementing this program and to seek nonstate funds to  
33.18 supplement the program.
- 33.19 (b) Program providers under paragraph (a) interested in extending literacy programs  
33.20 to children in kindergarten through grade 3 may elect to form a partnership with an  
33.21 eligible organization under section 124D.38, subdivision 2, or 124D.42, subdivision 6,  
33.22 clause (3), schools enrolling children in kindergarten through grade 3, and other interested  
33.23 and qualified community-based entities to provide ongoing literacy programs that offer  
33.24 seamless literacy instruction focused on closing the literacy achievement gap. To close the  
33.25 literacy achievement gap by the end of third grade, partnership members must agree to use  
33.26 best efforts and practices and to work collaboratively to implement a seamless literacy  
33.27 model from age three to grade 3, consistent with paragraph (a). Literacy programs under  
33.28 this paragraph must collect and use literacy data to:
- 33.29 (1) evaluate children's literacy skills; and  
33.30 (2) formulate specific intervention strategies to provide reading instruction to  
33.31 children premised on the outcomes of formative and summative assessments and  
33.32 research-based indicators of literacy development.
- 33.33 The literacy programs under this paragraph also must train teachers and other  
33.34 providers working with children to use the assessment outcomes under clause (2) to  
33.35 develop and use effective, long-term literacy coaching models that are specific to the  
33.36 program providers.

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

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

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

34.10 Subd. 7. **Education records.** (a) A district, a charter school, or a nonpublic school  
34.11 that receives services or aid under sections 123B.40 to 123B.48 from which a student is  
34.12 transferring must transmit the student's educational records, within ten business days of a  
34.13 request, to the district, the charter school, or the nonpublic school in which the student is  
34.14 enrolling. Districts, charter schools, and nonpublic schools that receive services or aid  
34.15 under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district,  
34.16 the charter school, or the nonpublic school in which a transferring student is next enrolling  
34.17 in order to comply with this subdivision.

34.18 (b) A closed charter school must transfer the student's educational records, within  
34.19 ten business days of the school's closure, to the student's school district of residence  
34.20 where the records must be retained unless the records are otherwise transferred under  
34.21 this subdivision.

34.22 (c) A school district, a charter school, or a nonpublic school that receives services  
34.23 or aid under sections 123B.40 to 123B.48 that transmits a student's educational records  
34.24 to another school district or other educational entity, charter school, or nonpublic school  
34.25 to which the student is transferring must include in the transmitted records information  
34.26 about any formal suspension, expulsion, and exclusion disciplinary action taken as a  
34.27 result of any incident in which the student possessed or used a dangerous weapon under  
34.28 sections 121A.40 to 121A.56. The district, the charter school, or the nonpublic school  
34.29 that receives services or aid under sections 123B.40 to 123B.48 must provide notice to  
34.30 a student and the student's parent or guardian that formal disciplinary records will be  
34.31 transferred as part of the student's educational record, in accordance with data practices  
34.32 under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United  
34.33 States Code, title 20, section 1232(g).

34.34 ~~(c)~~ (d) Notwithstanding section 138.17, a principal or chief administrative officer  
34.35 must remove from a student's educational record and destroy a probable cause notice

received under section 260B.171, subdivision 5, or paragraph (d), if one year has elapsed since the date of the notice and the principal or chief administrative officer has not received a disposition or court order related to the offense described in the notice. This paragraph does not apply if the student no longer attends the school when this one-year period expires.

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

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

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

(1) language arts;

(2) mathematics;

(3) science;

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

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

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

To satisfy state graduation requirements under section 120B.024, paragraph (a), clause (6), the physical education standards under clause (5) must be consistent with either the (i) six physical education standards developed by the department's quality teaching network or the (ii) six National Physical Education Standards developed by the National Association for Sport and Physical Education. To satisfy federal reporting requirements for continued funding under Title VII of the Physical Education for Progress Act, a school district, if applicable, must notify the department by March 15, in the form and manner the department prescribes, of its intent to comply with the National Physical Education Standards in the next school year.

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

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

36.5 An individualized education plan team that makes this determination must establish  
36.6 alternative standards.

36.7 A school district, no later than the 2007-2008 school year, must adopt graduation  
36.8 requirements that meet or exceed state graduation requirements established in law or  
36.9 rule. A school district that incorporates these state graduation requirements before the  
36.10 2007-2008 school year must provide students who enter the 9th grade in or before  
36.11 the 2003-2004 school year the opportunity to earn a diploma based on existing locally  
36.12 established graduation requirements in effect when the students entered the 9th grade.  
36.13 District efforts to develop, implement, or improve instruction or curriculum as a result  
36.14 of the provisions of this section must be consistent with sections 120B.10, 120B.11,  
36.15 and 120B.20.

36.16 The commissioner must include the contributions of Minnesota American Indian  
36.17 tribes and communities as they relate to each of the academic standards during the review  
36.18 and revision of the required academic standards.

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

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

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

36.31 (b) The commissioner in the 2006-2007 school year must revise and align the state's  
36.32 academic standards and high school graduation requirements in mathematics to require  
36.33 that students satisfactorily complete the revised mathematics standards, beginning in the  
36.34 2010-2011 school year. Under the revised standards:



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

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

37.5 The commissioner also must ensure that the statewide mathematics assessments  
37.6 administered to students in grades 3 through 8 and 11 beginning in the 2010-2011  
37.7 school year are aligned with the state academic standards in mathematics. The statewide  
37.8 11th grade mathematics test administered to students under clause (2) beginning in  
37.9 the 2013-2014 school year must include algebra II test items that are aligned with  
37.10 corresponding state academic standards in mathematics. The office of educational  
37.11 accountability under section 120B.31, subdivision 3, in collaboration with the Minnesota  
37.12 State Colleges and Universities, must determine and the commissioner must set a passing  
37.13 score for the statewide 11th grade mathematics test that represents readiness for college so  
37.14 that a student who achieves a passing score on this test, upon graduation, is immediately  
37.15 ready to take college courses for college credit in a two-year or a four-year institution,  
37.16 consistent with section 135A.104. The commissioner must implement a review of the  
37.17 academic standards and related benchmarks in mathematics beginning in the 2015-2016  
37.18 school year.

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

37.24 (d) The commissioner in the 2008-2009 school year must revise and align the state's  
37.25 academic standards and high school graduation requirements in science to require that  
37.26 students satisfactorily complete the revised science standards, beginning in the 2011-2012  
37.27 school year. Under the revised standards, students scheduled to graduate in the 2014-2015  
37.28 school year or later must satisfactorily complete a chemistry or physics credit. The  
37.29 commissioner must implement a review of the academic standards and related benchmarks  
37.30 in science beginning in the 2017-2018 school year.

37.31 (e) The commissioner in the 2009-2010 school year must revise and align the state's  
37.32 academic standards and high school graduation requirements in language arts to require  
37.33 that students satisfactorily complete the revised language arts standards beginning in the  
37.34 2012-2013 school year. The office of educational accountability under section 120B.31,  
37.35 subdivision 3, in collaboration with the Minnesota State Colleges and Universities, must  
37.36 determine and the commissioner must set a passing score for the statewide tenth grade

38.1 reading and language arts test that represents readiness for college so that a student who  
38.2 achieves a passing score on this test, upon graduation, is immediately ready to take college  
38.3 courses for college credit in a two-year or a four-year institution, consistent with section  
38.4 135A.104. The commissioner must implement a review of the academic standards and  
38.5 related benchmarks in language arts beginning in the 2018-2019 school year.

38.6 (f) The commissioner in the 2010-2011 school year must revise and align the state's  
38.7 academic standards and high school graduation requirements in social studies to require  
38.8 that students satisfactorily complete the revised social studies standards beginning in the  
38.9 2013-2014 school year. The commissioner must implement a review of the academic  
38.10 standards and related benchmarks in social studies beginning in the 2019-2020 school year.

38.11 (g) The commissioner in the 2011-2012 school year must revise and align the state's  
38.12 standards and high school graduation requirements in physical education, consistent with  
38.13 the requirements governing sections 120B.021, subdivision 1, clause (5), and 120B.024,  
38.14 paragraph (a), clause (6), to require students to satisfactorily complete the revised physical  
38.15 education standards beginning in the 2014-2015 school year. The commissioner must  
38.16 implement a review of the standards and related benchmarks in physical education  
38.17 beginning in the 2020-2021 school year.

38.18 ~~(g)~~ (h) School districts and charter schools must revise and align local academic  
38.19 standards and high school graduation requirements in health, ~~physical education~~, world  
38.20 languages, and career and technical education to require students to complete the revised  
38.21 standards beginning in a school year determined by the school district or charter school.  
38.22 School districts and charter schools must formally establish a periodic review cycle for  
38.23 the academic standards and related benchmarks in health, ~~physical education~~, world  
38.24 languages, and career and technical education.

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

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

38.28 **120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

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

38.31 (1) four credits of language arts;

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

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

39.1 (4) three and one-half credits of social studies, encompassing at least United  
39.2 States history, geography, government and citizenship, world history, and economics or  
39.3 three credits of social studies encompassing at least United States history, geography,  
39.4 government and citizenship, and world history, and one-half credit of economics taught in  
39.5 a school's social studies, agriculture education, or business department;

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

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

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

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

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

39.15 (c) The commissioner, in collaboration with the Minnesota State Colleges and  
39.16 Universities, must develop and implement a statewide plan to communicate with all  
39.17 Minnesota high school students no later than the beginning of 9th grade the state's  
39.18 expectations for college readiness, consistent with section 120B.023, subdivision 2,  
39.19 paragraphs (b) and (e), and section 135A.104.

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

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

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

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

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

39.29 (3) evidence of student achievement in subject areas under section 120B.021,  
39.30 subdivision 1, for which locally developed or statewide academic standards apply and  
39.31 statewide assessments are not developed, and which shall be presented at a local public  
39.32 meeting convened for the purpose of presenting the evidence;

39.33 ~~(3)~~ (4) the annual school district improvement plans including staff development  
39.34 goals under section 122A.60;

40.1 ~~(4)~~ (5) information about district and learning site progress in realizing previously  
40.2 adopted improvement plans; and

40.3 ~~(5)~~ (6) the amount and type of revenue attributed to each education site as defined  
40.4 in section 123B.04.

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

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

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

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

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

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

40.21 **120B.132 RAISED ACADEMIC ACHIEVEMENT; ADVANCED**  
40.22 **PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.**

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

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

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

40.35 ~~(2)~~ (3) must propose to further raise students' academic achievement by:

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

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

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

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

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

41.13 Subd. 2. **Application and review process; funding priority.** (a) Charter schools  
 41.14 and school districts in which eligible schools under subdivision 1 are located may  
 41.15 apply to the commissioner, in the form and manner the commissioner determines, for  
 41.16 competitive funding to further raise students' academic achievement. The application must  
 41.17 detail the specific efforts the applicant intends to undertake in further raising students'  
 41.18 academic achievement, consistent with subdivision 1, and a proposed budget detailing  
 41.19 the district or charter school's current and proposed expenditures for advanced placement  
 41.20 ~~or, preadvanced placement, and international baccalaureate~~ courses and programs. The  
 41.21 proposed budget must demonstrate that the applicant's efforts will ~~supplement but not~~  
 41.22 ~~supplant any expenditures for advanced placement and preadvanced placement courses and~~  
 41.23 ~~programs the applicant currently makes available to students~~ support implementation of  
 41.24 advanced placement, preadvanced placement, and international baccalaureate courses and  
 41.25 programs. Expenditures for administration must not exceed five percent of the proposed  
 41.26 budget. The commissioner may require an applicant to provide additional information.

41.27 (b) When reviewing applications, the commissioner must determine whether  
 41.28 the applicant satisfied all the requirements in this subdivision and subdivision 1.  
 41.29 The commissioner may give funding priority to an otherwise qualified applicant that  
 41.30 demonstrates:

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

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

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

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

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

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

42.14 (1) \$85 times the number of pupils enrolled at the participating sites on October  
42.15 1 of the previous fiscal year; or

42.16 (2) the approved supplemental expenditures based on the budget submitted under  
42.17 subdivision 2. For charter schools in their first year of operation, the maximum ~~grant~~  
42.18 funding award must be calculated using the number of pupils enrolled on October 1 of  
42.19 the current fiscal year. The commissioner may adjust the maximum ~~grant~~ funding award  
42.20 computed using prior year data for changes in enrollment attributable to school closings,  
42.21 school openings, grade level reconfigurations, or school district reorganizations between  
42.22 the prior fiscal year and the current fiscal year.

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

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

42.28 (2) further develop preadvanced placement, advanced placement, or international  
42.29 baccalaureate courses or programs;

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

42.33 (4) purchase books and supplies;

42.34 (5) pay course or program fees;

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

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

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

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

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

43.16 (b) Each school district and charter school that receives a grant under this section  
43.17 annually must report to the commissioner, consistent with the Uniform Financial  
43.18 Accounting and Reporting Standards, its actual expenditures for advanced placement ~~and~~,  
43.19 preadvanced placement, and international baccalaureate courses and programs. The report  
43.20 must demonstrate that the school district or charter school has maintained its effort from  
43.21 other sources for advanced placement ~~and~~, preadvanced placement, and international  
43.22 baccalaureate courses and programs compared with the previous fiscal year, and the  
43.23 district or charter school has expended all grant funds, consistent with its approved budget.

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

43.26 Sec. 9. Minnesota Statutes 2006, section 120B.15, is amended to read:

43.27 **120B.15 GIFTED AND TALENTED STUDENTS PROGRAMS.**

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

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

43.33 (1) multiple and objective criteria; and

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

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

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

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

Sec. 10. Minnesota Statutes 2006, section 120B.30, is amended to read:

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

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

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

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

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

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required



45.1 assessment for diploma in grade 10 for reading and grade 11 for mathematics or  
45.2 subsequent retests;

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

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

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

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

45.17 (2) for writing;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Reporting of assessment results must:

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

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

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

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

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

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

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

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

Subd. 3. **Reporting.** The commissioner shall report test data publicly and to stakeholders, including the ~~three performance baselines~~ performance achievement levels developed from students' unweighted ~~mean~~ test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance. The commissioner shall also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner

48.1 shall disseminate to schools and school districts a more comprehensive report containing  
48.2 testing information that meets local needs for evaluating instruction and curriculum.

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

48.9 Sec. 11. Minnesota Statutes 2006, section 120B.31, subdivision 3, is amended to read:

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

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

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

48.24 (3) the commissioner uses indicators of student achievement growth over time  
48.25 and a value-added assessment model that estimates the effects of the school and school  
48.26 district on student achievement to measure school performance, consistent with section  
48.27 120B.36, subdivision 1; and

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

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

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

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

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

49.2 Sec. 12. Minnesota Statutes 2006, section 120B.36, subdivision 1, is amended to read:

49.3 Subdivision 1. **School performance report cards.** (a) The commissioner shall  
49.4 use objective criteria based on levels of student performance to ~~identify four to six~~  
49.5 ~~designations applicable to high and low performing public schools. The objective~~  
49.6 ~~criteria shall include~~ report at least student academic performance, school safety,  
49.7 student-to-teacher ratios that clearly indicate the definition of teacher for purposes of  
49.8 determining these ratios, and staff characteristics, with a value-added ~~growth~~ component  
49.9 ~~added by the 2006-2007~~ no later than the 2008-2009 school year. The report must indicate  
49.10 a school's adequate yearly progress status.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50.21 (1) with a school nurse, in a district that employs a school nurse;

50.22 (2) with a licensed school nurse, in a district that employs a licensed school nurse;

50.23 (3) with a public or private health or health-related organization, in a district that  
50.24 contracts with a public or private health or health-related organization, according to  
50.25 section 121A.21; or

50.26 (4) with the appropriate party, in a district that has an arrangement approved by the  
50.27 commissioner of education, according to section 121A.21.

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

50.29 Sec. 16. **[121A.231] RESPONSIBLE FAMILY LIFE AND SEXUALITY**  
50.30 **EDUCATION PROGRAMS.**

50.31 Subdivision 1. Definitions. (a) "Responsible family life and sexuality education"  
50.32 means education in grades 7 through 12 that:

- 51.1 (1) respects community values and encourages family communication;  
51.2 (2) develops skills in communication, decision making, and conflict resolution;  
51.3 (3) contributes to healthy relationships;  
51.4 (4) provides human development and sexuality education that is age appropriate  
51.5 and medically accurate;  
51.6 (5) includes an abstinence-first approach to delaying initiation of sexual activity that  
51.7 emphasizes abstinence while also including education about the use of protection and  
51.8 contraception; and  
51.9 (6) promotes individual responsibility.  
51.10 (b) "Age appropriate" refers to topics, messages, and teaching methods suitable to  
51.11 particular ages or age groups of children and adolescents, based on developing cognitive,  
51.12 emotional, and behavioral capacity typical for the age or age group.  
51.13 (c) "Medically accurate" means verified or supported by research conducted in  
51.14 compliance with scientific methods and published in peer-reviewed journals, where  
51.15 appropriate, and recognized as accurate and objective by professional organizations  
51.16 and agencies in the relevant field, such as the federal Centers for Disease Control  
51.17 and Prevention, the American Public Health Association, the American Academy of  
51.18 Pediatrics, or the American College of Obstetricians and Gynecologists.  
51.19 **Subd. 2. Curriculum requirements.** (a) A school district must offer and may  
51.20 independently establish policies, procedures, curriculum, and services for providing  
51.21 responsible family life and sexuality education that is age appropriate and medically  
51.22 accurate for grades 7 through 12.  
51.23 (b) A school district must consult with parents or guardians of enrolled students  
51.24 when establishing policies, procedures, curriculum, and services under this subdivision.  
51.25 **Subd. 3. Notice and parental options.** (a) It is the legislature's intent to encourage  
51.26 pupils to communicate with their parents or guardians about human sexuality and to respect  
51.27 rights of parents or guardians to supervise their children's education on these subjects.  
51.28 (b) Parents or guardians may excuse their children from all or part of a responsible  
51.29 family life and sexuality education program.  
51.30 (c) A school district must establish policies and procedures consistent with  
51.31 paragraph (e) and this section for providing parents or guardians reasonable notice with  
51.32 the following information:  
51.33 (1) if the district is offering a responsible family life and sexuality education program  
51.34 to the parents' or guardians' child during the course of the year;  
51.35 (2) how the parents or guardians may inspect the written and audio/visual  
51.36 educational materials used in the program and the process for inspection;

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

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

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

52.10 (e) A school district may develop a policy requiring the prior written consent of the  
52.11 pupil's parent or guardian. If a school district develops a policy, it must make reasonable  
52.12 arrangements with school personnel for alternative instruction for those pupils whose  
52.13 parents or guardians refuse to give their consent, and must not impose an academic  
52.14 or other penalty upon a pupil merely for arranging the alternative instruction. School  
52.15 personnel may evaluate and assess the quality of the pupil's work completed as part of  
52.16 the alternative instruction.

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

52.21 (1) training for teachers, parents, and community members in the development of  
52.22 responsible family life and sexuality education curriculum or services and in planning  
52.23 for monitoring and evaluation activities;

52.24 (2) resource staff persons to provide expert training, curriculum development and  
52.25 implementation, and evaluation services;

52.26 (3) technical assistance to promote and coordinate community, parent, and youth  
52.27 forums in communities identified as having high needs for responsible family life and  
52.28 sexuality education;

52.29 (4) technical assistance for issue management and policy development training for  
52.30 school boards, superintendents, principals, and administrators across the state; and

52.31 (b) Technical assistance in accordance with National Health Education Standards  
52.32 provided by the department to school districts may:

52.33 (1) promote instruction and use of materials that are age appropriate;

52.34 (2) provide information that is medically accurate and objective;

52.35 (3) provide instruction and promote use of materials that are respectful of marriage  
52.36 and commitments in relationships;



53.1 (4) provide instruction and promote use of materials that are appropriate for use  
53.2 with pupils and family experiences based on race, gender, sexual orientation, ethnic  
53.3 and cultural background, and appropriately accommodate alternative learning based on  
53.4 language or disability;

53.5 (5) provide instruction and promote use of materials that encourage pupils to  
53.6 communicate with their parents or guardians about human sexuality;

53.7 (6) provide instruction and promote use of age-appropriate materials that teach  
53.8 abstinence from sexual intercourse as the only certain way to prevent unintended  
53.9 pregnancy or sexually transmitted infections, including HIV, Chlamydia, and HPV, and  
53.10 provide information about the role and value of abstinence while also providing medically  
53.11 accurate information on other methods of preventing and reducing risk for unintended  
53.12 pregnancy and sexually transmitted infections;

53.13 (7) provide instruction and promote use of age-appropriate materials that are  
53.14 medically accurate in explaining transmission modes, risks, symptoms, and treatments for  
53.15 sexually transmitted infections, including HIV, Chlamydia, and HPV;

53.16 (8) provide instruction and promote use of age-appropriate materials that address  
53.17 varied societal views on sexuality, sexual behaviors, pregnancy, and sexually transmitted  
53.18 infections, including HIV, Chlamydia, and HPV, in an age-appropriate manner;

53.19 (9) provide instruction and promote use of age-appropriate materials that provide  
53.20 information about the effectiveness and safety of all FDA-approved methods for  
53.21 preventing and reducing risk for unintended pregnancy and sexually transmitted infections,  
53.22 including HIV, Chlamydia, and HPV;

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

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

53.28 (12) provide instruction and promote use of age-appropriate materials that do not  
53.29 teach or promote religious doctrine or bias against a religion or reflect or promote bias  
53.30 against any person on the basis of any category protected under the Minnesota Human  
53.31 Rights Act, chapter 363A.

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

53.33 **122A.16 HIGHLY QUALIFIED TEACHER DEFINED.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

55.5 Sec. 18. Minnesota Statutes 2006, section 122A.18, is amended by adding a  
55.6 subdivision to read:

55.7 Subd. 2c. **Determining passing scores.** The passing score on the examination of  
55.8 skills in reading, writing, and mathematics required as a condition of granting an initial  
55.9 teaching license under subdivision 2, paragraph (b), is the passing score in effect at the  
55.10 time the person takes the examination and not the time the person applies for the initial  
55.11 teaching license.

55.12 **EFFECTIVE DATE.** This section is effective the day following final enactment  
55.13 and applies to all persons enrolled in a teacher preparation program on that date and later.

55.14 Sec. 19. Minnesota Statutes 2006, section 122A.20, subdivision 1, is amended to read:

55.15 Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Board of  
55.16 Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's  
55.17 licensure, may, on the written complaint of the school board employing a teacher, a teacher  
55.18 organization, or any other interested person, refuse to issue, refuse to renew, suspend, or  
55.19 revoke a teacher's license to teach for any of the following causes:

- 55.20 (1) immoral character or conduct;  
55.21 (2) failure, without justifiable cause, to teach for the term of the teacher's contract;  
55.22 (3) gross inefficiency or willful neglect of duty;  
55.23 (4) failure to meet licensure requirements; or  
55.24 (5) fraud or misrepresentation in obtaining a license.

55.25 The written complaint must specify the nature and character of the charges.

55.26 (b) The Board of Teaching or Board of School Administrators, whichever  
55.27 has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or  
55.28 automatically revoke a teacher's license to teach without the right to a hearing upon  
55.29 receiving a certified copy of a conviction showing that the teacher has been convicted  
55.30 of child abuse, as defined in section 609.185, ~~or~~ sexual abuse under section 609.342,  
55.31 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, ~~or~~ using  
55.32 minors in a sexual performance under section 617.246, or possessing pornographic works  
55.33 involving a minor under section 617.247, or under a similar law of another state or the

56.1 United States. The board shall send notice of this licensing action to the district in which  
56.2 the teacher is currently employed.

56.3 (c) A person whose license to teach has been revoked, not issued, or not renewed  
56.4 under paragraph (b), may petition the board to reconsider the licensing action if the  
56.5 person's conviction for child abuse or sexual abuse is reversed by a final decision of the  
56.6 Court of Appeals or the Supreme Court or if the person has received a pardon for the  
56.7 offense. The petitioner shall attach a certified copy of the appellate court's final decision or  
56.8 the pardon to the petition. Upon receiving the petition and its attachment, the board shall  
56.9 schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2,  
56.10 unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding  
56.11 the reversal of the petitioner's criminal conviction or the issuance of a pardon, the  
56.12 petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall  
56.13 affirm its previous licensing action. If the board finds that the petitioner is not disqualified  
56.14 from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

56.15 (d) For purposes of this subdivision, the Board of Teaching is delegated the authority  
56.16 to suspend or revoke coaching licenses.

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

56.18 Sec. 20. Minnesota Statutes 2006, section 122A.414, subdivision 1, is amended to read:

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

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

56.28 Sec. 21. Minnesota Statutes 2006, section 122A.414, subdivision 2, is amended to read:

56.29 Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this  
56.30 program, a school district, intermediate school district, school site, or charter school must  
56.31 have an educational improvement plan under section 122A.413 and an alternative teacher  
56.32 professional pay system agreement under paragraph (b). A charter school participant also  
56.33 must comply with subdivision 2a.

57.1 (b) The alternative teacher professional pay system agreement must:

57.2 (1) describe how teachers can achieve career advancement and additional  
57.3 compensation;

57.4 (2) describe how the school district, intermediate school district, school site, or  
57.5 charter school will provide teachers with career advancement options that allow teachers  
57.6 to retain primary roles in student instruction and facilitate site-focused professional  
57.7 development that helps other teachers improve their skills;

57.8 (3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation  
57.9 paid before implementing the pay system from being reduced as a result of participating  
57.10 in this system, and base at least 60 percent of any compensation increase funded by  
57.11 alternative compensation revenue on teacher performance using:

57.12 (i) schoolwide student achievement gains under section 120B.35 or locally selected  
57.13 standardized assessment outcomes, or both;

57.14 (ii) measures of student achievement; and

57.15 (iii) an objective evaluation program that includes:

57.16 (A) individual teacher evaluations aligned with the educational improvement plan  
57.17 under section 122A.413 and the staff development plan under section 122A.60; and

57.18 (B) objective evaluations using multiple criteria conducted by a locally selected and  
57.19 periodically trained evaluation team that understands teaching and learning;

57.20 (4) provide integrated ongoing site-based professional development activities to  
57.21 improve instructional skills and learning that are aligned with student needs under section  
57.22 122A.413, consistent with the staff development plan under section 122A.60 and led  
57.23 during the school day by trained teacher leaders such as master or mentor teachers;

57.24 (5) allow any teacher in a participating school district, intermediate school district,  
57.25 school site, or charter school that implements an alternative pay system to participate in  
57.26 that system without any quota or other limit; and

57.27 (6) encourage collaboration rather than competition among teachers.

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

57.30 Sec. 22. Minnesota Statutes 2006, section 122A.415, subdivision 1, is amended to read:

57.31 Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district,  
57.32 school site, or charter school that meets the conditions of section 122A.414 and submits an  
57.33 application approved by the commissioner is eligible for alternative teacher compensation  
57.34 revenue.

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

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

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

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

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

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

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

58.27 Sec. 23. Minnesota Statutes 2006, section 122A.60, subdivision 3, is amended to read:

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

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

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

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

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

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

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

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

59.15 Sec. 24. Minnesota Statutes 2006, section 122A.61, subdivision 1, is amended to read:

59.16 Subdivision 1. **Staff development revenue.** A district is required to reserve  
59.17 an amount equal to at least two percent of the basic revenue under section 126C.10,  
59.18 subdivision 2, for in-service education for programs under section 120B.22, subdivision 2,  
59.19 for staff development plans, including plans for challenging instructional activities and  
59.20 experiences under section 122A.60, and for curriculum development and programs, other  
59.21 in-service education, teachers' workshops, teacher conferences, the cost of substitute  
59.22 teachers staff development purposes, preservice and in-service education for special  
59.23 education professionals and paraprofessionals, higher education courses and programs in  
59.24 teachers' areas of licensure, and other related costs for staff development efforts. A district  
59.25 may annually waive the requirement to reserve their basic revenue under this section if  
59.26 a majority vote of the licensed teachers in the district and a majority vote of the school  
59.27 board agree to a resolution to waive the requirement. A district in statutory operating debt  
59.28 is exempt from reserving basic revenue according to this section. Districts may expend an  
59.29 additional amount of unreserved revenue for staff development based on their needs. With  
59.30 the exception of amounts reserved for staff development from revenues allocated directly  
59.31 to school sites, the board must initially allocate 50 percent of the reserved revenue to each  
59.32 school site in the district on a per teacher basis, which must be retained by the school site  
59.33 until used. The board may retain 25 percent to be used for district wide staff development  
59.34 efforts. The remaining 25 percent of the revenue must be used to make grants to school  
59.35 sites for best practices methods. A grant may be used for any purpose authorized under

section 120B.22, subdivision 2, 122A.60, or for the costs of curriculum development and programs, other in-service education, teachers' workshops, teacher conferences, substitute teachers for staff development purposes, and other staff development efforts, and determined by the site professional development team. The site professional development team must demonstrate to the school board the extent ~~to which~~ that staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

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

Sec. 25. **[122A.633] SCHOLAR LOANS TO PREPARE TEACHERS OF COLOR.**

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

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

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

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

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

(1) be an American citizen residing in Minnesota;

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

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

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

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

**Subd. 3. Application process; awarding scholar loans.** (a) The director, in consultation with the commissioner of education, shall award scholar loans to eligible students of color. A student of color must submit an application for a scholar loan to the director in the form and manner determined by the director in consultation with the commissioner. The application must include the criteria in subdivision 2 and any other information required by the director.



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

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

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

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

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

61.34 (d) The director shall establish repayment procedures for scholar loans including,  
61.35 at least, variable repayment schedules consistent with the need and anticipated income

62.1 streams of loan recipients. The repayment period begins the first day of the first month  
62.2 after:

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

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

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

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

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

62.14 Sec. 26. Minnesota Statutes 2006, section 122A.72, subdivision 5, is amended to read:

62.15 Subd. 5. **Center functions.** (a) A teacher center shall perform functions according  
62.16 to this subdivision. The center shall assist teachers, diagnose learning needs, experiment  
62.17 with the use of multiple instructional approaches, assess pupil outcomes, assess staff  
62.18 development needs and plans, and teach school personnel about effective pedagogical  
62.19 approaches. The center shall develop and produce curricula and curricular materials  
62.20 designed to meet the educational needs of pupils being served, by applying educational  
62.21 research and new and improved methods, practices, and techniques. The center shall  
62.22 provide programs to improve the skills of teachers to meet the special educational needs of  
62.23 pupils. The center shall provide programs to familiarize teachers with developments in  
62.24 curriculum formulation and educational research, including how research can be used to  
62.25 improve teaching skills. The center shall facilitate sharing of resources, ideas, methods,  
62.26 and approaches directly related to classroom instruction and improve teachers' familiarity  
62.27 with current teaching materials and products for use in their classrooms. The center shall  
62.28 provide in-service programs.

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

62.33 (1) high quality professional development programs in mathematics and science  
62.34 that address curriculum, instructional methods, alignment of standards, and performance

63.1 measurements, enhance teacher and student learning, and support state mathematics and  
63.2 science standards; and

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

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

63.8 Sec. 27. **[122A.95] VETERAN'S DAY RECOGNITION.**

63.9 (a) Every independent, special, and common school district and every charter school  
63.10 shall honor the federal Veteran's Day holiday by:

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

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

63.17 (b) In recognition of the educational value of observing Veteran's Day and honoring  
63.18 the service provided by all our veterans, Minnesota institutions, organizations, and other  
63.19 entities are encouraged to honor the federal Veteran's Day holiday by granting to each  
63.20 employee who is a veteran a day off with pay on that holiday.

63.21 Sec. 28. Minnesota Statutes 2006, section 123B.02, is amended by adding a  
63.22 subdivision to read:

63.23 Subd. 16a. **Membership in economic development, community, and civic**  
63.24 **organizations.** The board may authorize payment of a district administrator's membership  
63.25 fee to local economic development associations or other community or civic organizations.

63.26 Sec. 29. Minnesota Statutes 2006, section 123B.36, subdivision 1, is amended to read:

63.27 **Subdivision 1. School boards may require fees.** (a) For purposes of this  
63.28 subdivision, "home school" means a home school as defined in sections 120A.22 and  
63.29 120A.24 with five or fewer students receiving instruction.

63.30 (b) A school board is authorized to require payment of fees in the following areas:

63.31 (1) in any program where the resultant product, in excess of minimum requirements  
63.32 and at the pupil's option, becomes the personal property of the pupil;

- 64.1 (2) admission fees or charges for extracurricular activities, where attendance  
64.2 is optional and where the admission fees or charges a student must pay to attend or  
64.3 participate in an extracurricular activity is the same for all students, regardless of whether  
64.4 the student is enrolled in a public or a home school;
- 64.5 (3) a security deposit for the return of materials, supplies, or equipment;
- 64.6 (4) personal physical education and athletic equipment and apparel, although any  
64.7 pupil may personally provide it if it meets reasonable requirements and standards relating  
64.8 to health and safety established by the board;
- 64.9 (5) items of personal use or products that a student has an option to purchase such as  
64.10 student publications, class rings, annuals, and graduation announcements;
- 64.11 (6) fees specifically permitted by any other statute, including but not limited to  
64.12 section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual  
64.13 cost to the school and school district of providing driver education, and (ii) the driver  
64.14 education courses are open to enrollment to persons between the ages of 15 and 18 who  
64.15 reside or attend school in the school district;
- 64.16 (7) field trips considered supplementary to a district educational program;
- 64.17 (8) any authorized voluntary student health and accident benefit plan;
- 64.18 (9) for the use of musical instruments owned or rented by the district, a reasonable  
64.19 rental fee not to exceed either the rental cost to the district or the annual depreciation plus  
64.20 the actual annual maintenance cost for each instrument;
- 64.21 (10) transportation of pupils to and from extracurricular activities conducted at  
64.22 locations other than school, where attendance is optional, and transportation of charter  
64.23 school students participating in extracurricular activities in their resident district under  
64.24 section 123B.49, subdivision 4, paragraph (a), which must be charged to the charter school;
- 64.25 (11) transportation to and from school of pupils living within two miles from school  
64.26 and all other transportation services not required by law. If a district charges fees for  
64.27 transportation of pupils, it must establish guidelines for that transportation to ensure that  
64.28 no pupil is denied transportation solely because of inability to pay;
- 64.29 (12) motorcycle classroom education courses conducted outside of regular school  
64.30 hours; provided the charge must not exceed the actual cost of these courses to the school  
64.31 district;
- 64.32 (13) transportation to and from postsecondary institutions for pupils enrolled under  
64.33 the postsecondary enrollment options program under section 123B.88, subdivision 22.  
64.34 Fees collected for this service must be reasonable and must be used to reduce the cost  
64.35 of operating the route. Families who qualify for mileage reimbursement under section

65.1 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no  
65.2 fee is charged, districts must allocate costs based on the number of pupils riding the route.

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

65.5 Sec. 30. Minnesota Statutes 2006, section 123B.37, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

65.18 (8) any admission or examination cost for any required educational course or  
65.19 program;

65.20 (9) locker rentals;

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

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

65.27 (c) A school board must not charge a fee to a person serving in active military  
65.28 service under section 190.05, subdivision 5, who requests that the school district or  
65.29 charter school transmit a copy of the person's transcript to a postsecondary institution or  
65.30 prospective employer. The school district or charter school may request reasonable proof  
65.31 of the service member's current military duty status.

65.32 Sec. 31. **[123B.485] NONPUBLIC SCHOOL TRANSCRIPTS.**

65.33 A nonpublic school that receives services or aid under sections 123B.40 to 123B.48  
65.34 must not charge a fee to a person serving in active military service under section 190.05,

66.1 subdivision 5, who requests that the nonpublic school transmit a copy of the person's  
66.2 transcript to a postsecondary institution or prospective employer. The nonpublic school  
66.3 may request reasonable proof of the service member's current military status.

66.4 Sec. 32. Minnesota Statutes 2006, section 123B.49, subdivision 4, is amended to read:

66.5 Subd. 4. **Board control of extracurricular activities.** (a) The board may take  
66.6 charge of and control all extracurricular activities of the teachers and children of the public  
66.7 schools in the district. Extracurricular activities means all direct and personal services for  
66.8 pupils for their enjoyment that are managed and operated under the guidance of an adult  
66.9 or staff member. The board shall allow all resident pupils receiving instruction in a home  
66.10 school as defined in section 123B.36, subdivision 1, paragraph (a), and all resident pupils  
66.11 receiving instruction in a charter school as defined in section 124D.10 to be eligible to  
66.12 fully participate in extracurricular activities on the same basis as public school students:  
66.13 enrolled in the district's schools. A charter school student must give the enrolling charter  
66.14 school and the resident school district at least a 30-day notice of the student's intent to  
66.15 participate in an extracurricular activity in the resident district. Before a charter school  
66.16 student begins participating in an extracurricular activity in the resident district, the charter  
66.17 school must agree in writing to pay the direct and indirect costs attributable to that student  
66.18 that the district may charge to the charter school under paragraph (f). A charter school  
66.19 student is not eligible to participate in an extracurricular activity in the resident district if  
66.20 that extracurricular activity is offered by the enrolling charter school or the extracurricular  
66.21 activity is not controlled by the high school league under chapter 128C. Charter school  
66.22 students participating in extracurricular activities must meet the academic and student  
66.23 conduct requirements of the resident district. The charter school must:

66.24 (1) collect the same information that a district collects on a student's eligibility to  
66.25 participate in an extracurricular activity;

66.26 (2) transmit that information to the district at least ten days before a student begins  
66.27 to participate in the extracurricular activity; and

66.28 (3) immediately transmit to the district any additional information affecting the  
66.29 student's eligibility.

66.30 (b) Extracurricular activities have all of the following characteristics:

66.31 (1) they are not offered for school credit nor required for graduation;

66.32 (2) they are generally conducted outside school hours, or if partly during school  
66.33 hours, at times agreed by the participants, and approved by school authorities;

66.34 (3) the content of the activities is determined primarily by the pupil participants  
66.35 under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

(f) School districts may charge charter schools their proportional share of the direct and indirect costs of the extracurricular activities that are not covered by student fees under section 123B.36, subdivision 1, ticket revenues, fund-raising efforts, sponsorships, or other income generated for those activities for which the charter school is charged. A district may charge charter school students the same fees it charges enrolled students to participate in an extracurricular activity. All charges to a charter school and charter school students must be paid when the charter school students are selected to participate in the activity. A district is not required to provide transportation from the charter school to the resident district for a charter school student who participates in an extracurricular activity in the resident district.

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

Sec. 33. Minnesota Statutes 2006, section 123B.92, subdivision 3, is amended to read:

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

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

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

68.6 Sec. 34. **[124D.091] CONCURRENT ENROLLMENT PROGRAM AID.**

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

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

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

68.22 Sec. 35. Minnesota Statutes 2006, section 124D.095, subdivision 2, is amended to read:

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

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

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

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



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

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

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

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

Sec. 36. Minnesota Statutes 2006, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may ~~apply to an online learning provider to enroll in online learning for full-time enrollment in~~ an approved online learning program under section 124D.03, 124D.08 or 124D.10, or for supplemental online learning. Notwithstanding sections 124D.03, 124D.08, and 124D.10, procedures for enrolling in online learning shall be as provided in this subdivision. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in online learning. ~~An online learning provider that accepts a student under this section must, within ten days, notify the student and the enrolling district if the enrolling district is not the online learning provider. The notice must report the student's course or program and hours of instruction.~~ In order that a student may enroll in online learning, the student and the student's parents must submit an application to the online learning provider and identify the reason for enrolling in online learning. The online learning provider that accepts a student under this section must within ten days notify the student and the enrolling district in writing if the enrolling district is not the online learning provider. The student and family must notify the online learning provider of their intent to enroll in online learning within ten days of acceptance, at which time the student and parent must sign a statement of assurance that they have reviewed the online course or program and understand the expectations of online learning enrollment. The online learning provider must notify the enrolling district of the student's enrollment in online learning in writing on a form provided by the department.

(b) Supplemental online learning notification to the enrolling district upon student enrollment in the online learning program will include the courses or program, credits to be awarded, the start date of online enrollment, and confirmation that the courses will meet the student's graduation plan. A student may enroll in supplemental online learning

70.1 courses up to the midpoint of the enrolling district's term. The enrolling district may waive  
70.2 this requirement for special circumstances and upon acceptance by the online provider.

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

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

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

70.14 Sec. 37. Minnesota Statutes 2006, section 124D.095, subdivision 4, is amended to read:

70.15 Subd. 4. **Online learning parameters.** (a) An online learning student must receive  
70.16 academic credit for completing the requirements of an online learning course or program.  
70.17 Secondary credits granted to an online learning student must be counted toward the  
70.18 graduation and credit requirements of the enrolling district. An online learning provider  
70.19 must make available to the enrolling district the course syllabus, standard alignment,  
70.20 content outline, assessment requirements, and contact information for supplemental online  
70.21 courses taken by students in the enrolling district. The enrolling district must apply the  
70.22 same graduation requirements to all students, including online learning students, and  
70.23 must continue to provide nonacademic services to online learning students. If a student  
70.24 completes an online learning course or program that meets or exceeds a graduation  
70.25 standard or grade progression requirement at the enrolling district, that standard or  
70.26 requirement is met. The enrolling district must use the same criteria for accepting online  
70.27 learning credits or courses as it does for accepting credits or courses for transfer students  
70.28 under section 124D.03, subdivision 9. The enrolling district may reduce the ~~teacher~~  
70.29 ~~contact time~~ course schedule of an online learning student in proportion to the number  
70.30 of online learning courses the student takes from an online learning provider that is not  
70.31 the enrolling district.

70.32 (b) An online learning student may:

70.33 (1) enroll in supplemental online learning courses during a single school year in a  
70.34 maximum of 12 semester-long courses or their equivalent delivered by an online learning  
70.35 provider or the enrolling district to a maximum of 50 percent of the student's full schedule

71.1 of courses per term. A student may exceed the supplemental online learning registration  
71.2 limit if the enrolling district grants permission for supplemental online learning enrollment  
71.3 above the limit, or if an agreement is made between the enrolling district and the online  
71.4 learning provider for instructional services;

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

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

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

71.14 (d) An enrolling district may offer online learning to its enrolled students. Such  
71.15 online learning does not generate online learning funds under this section. An enrolling  
71.16 district that offers online learning only to its enrolled students is not subject to the  
71.17 reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota  
71.18 license must assemble and deliver instruction to enrolled students receiving online  
71.19 learning from an enrolling district. The delivery of instruction occurs when the student  
71.20 interacts with the computer or the teacher and receives ongoing assistance and assessment  
71.21 of learning. The instruction may include curriculum developed by persons other than a  
71.22 teacher with a Minnesota license.

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

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

72.1 Sec. 38. Minnesota Statutes 2006, section 124D.095, subdivision 7, is amended to read:

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

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

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

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

72.22 Sec. 39. Minnesota Statutes 2006, section 124D.10, subdivision 4, is amended to read:

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

72.34 (b) Before the operators may form and operate a school, the sponsor must file an  
72.35 affidavit with the commissioner stating its intent to authorize a charter school. The

73.1 affidavit must state the terms and conditions under which the sponsor would authorize a  
73.2 charter school and how the sponsor intends to oversee the fiscal and student performance  
73.3 of the charter school and to comply with the terms of the written contract between the  
73.4 sponsor and the charter school board of directors under subdivision 6. The commissioner  
73.5 must approve or disapprove the sponsor's proposed authorization within 90 days of  
73.6 receipt of the affidavit. Failure to obtain commissioner approval precludes a sponsor from  
73.7 authorizing the charter school that was the subject of the affidavit.

73.8 (c) The operators authorized to organize and operate a school, before entering into  
73.9 a contract or other agreement for professional or other services, goods, or facilities,  
73.10 must incorporate as a cooperative under chapter 308A or as a nonprofit corporation  
73.11 under chapter 317A and must establish a board of directors composed of at least five  
73.12 members until a timely election for members of the charter school board of directors is  
73.13 held according to the school's articles and bylaws. A charter school board of directors  
73.14 must be composed of at least five members. Any staff members who are employed at the  
73.15 school, including teachers providing instruction under a contract with a cooperative, and  
73.16 all parents of children enrolled in the school may participate in the election for members  
73.17 of the school's board of directors. Licensed teachers employed at the school, including  
73.18 teachers providing instruction under a contract with a cooperative, must be a majority  
73.19 of the members of the board of directors before the school completes its third year of  
73.20 operation, unless the commissioner waives the requirement for a majority of licensed  
73.21 teachers on the board. Board of director meetings must comply with chapter 13D.

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

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

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

73.30 (2) the charter school is fiscally sound;

73.31 (3) the sponsor supports the expansion; and

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

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

- 74.1 (1) proactively assess opportunities for a charter school to maximize all available  
74.2 revenue sources;
- 74.3 (2) establish and maintain complete, auditable records for the charter school;
- 74.4 (3) establish proper filing techniques;
- 74.5 (4) document formal actions of the charter school, including meetings of the charter  
74.6 school board of directors;
- 74.7 (5) properly manage and retain charter school and student records;
- 74.8 (6) comply with state and federal payroll record-keeping requirements; and
- 74.9 (7) address other similar factors that facilitate establishing and maintaining complete  
74.10 records on the charter school's operations.

74.11 Sec. 40. Minnesota Statutes 2006, section 124D.10, subdivision 8, is amended to read:

74.12 Subd. 8. **State and local requirements.** (a) A charter school shall meet all  
74.13 applicable state and local health and safety requirements.

74.14 (b) A school sponsored by a school board may be located in any district, unless the  
74.15 school board of the district of the proposed location disapproves by written resolution.

74.16 (c) A charter school must be nonsectarian in its programs, admission policies,  
74.17 employment practices, and all other operations. A sponsor may not authorize a charter  
74.18 school or program that is affiliated with a nonpublic sectarian school or a religious  
74.19 institution.

74.20 (d) Charter schools must not be used as a method of providing education or  
74.21 generating revenue for students who are being home-schooled.

74.22 (e) The primary focus of a charter school must be to provide a comprehensive  
74.23 program of instruction for at least one grade or age group from five through 18 years  
74.24 of age. Instruction may be provided to people younger than five years and older than  
74.25 18 years of age.

74.26 (f) A charter school may not charge tuition.

74.27 (g) A charter school is subject to and must comply with chapter 363A and section  
74.28 121A.04.

74.29 (h) A charter school is subject to and must comply with the Pupil Fair Dismissal  
74.30 Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections  
74.31 123B.34 to 123B.39.

74.32 (i) A charter school is subject to the same financial audits, audit procedures, and  
74.33 audit requirements as a district. Audits must be conducted in compliance with generally  
74.34 accepted governmental auditing standards, the Federal Single Audit Act, if applicable,  
74.35 and section 6.65. A charter school is subject to and must comply with sections 15.054;

75.1 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5;  
75.2 471.38; 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3, 4, 5, 6, 12, 13,  
75.3 and 15; 471.881; and 471.89. The audit must comply with the requirements of sections  
75.4 123B.75 to 123B.83, except to the extent deviations are necessary because of the program  
75.5 at the school. Deviations must be approved by the commissioner. The Department  
75.6 of Education, state auditor, or legislative auditor may conduct financial, program, or  
75.7 compliance audits. A charter school determined to be in statutory operating debt under  
75.8 sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

75.9 (j) A charter school is a district for the purposes of tort liability under chapter 466.

75.10 (k) A charter school must comply with sections 13.32; 120A.22, subdivision 7;  
75.11 121A.75; and 260B.171, subdivisions 3 and 5.

75.12 (l) A charter school is subject to the Pledge of Allegiance requirement under section  
75.13 121A.11, subdivision 3.

75.14 (m) A charter school is subject to sections 123B.36, subdivision 1, paragraph  
75.15 (b), clause (10), and 123B.49, subdivision 4, paragraphs (a) and (f), when its students  
75.16 participate in extracurricular activities in their resident district.

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

75.19 Sec. 41. Minnesota Statutes 2006, section 124D.10, subdivision 23a, is amended to  
75.20 read:

75.21 Subd. 23a. **Related party lease costs.** (a) A charter school is prohibited from  
75.22 entering a lease of real property with a related party as defined in ~~this~~ subdivision 26, unless  
75.23 the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter  
75.24 308A, and the lease cost is reasonable under section 124D.11, subdivision 4, clause (1).

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

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

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

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

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

75.34 (5) "Control" includes the terms "controlling," "controlled by," and "under common  
75.35 control with" and means the possession, direct or indirect, of the power to direct or cause

76.1 the direction of the management, operations, or policies of a person, whether through the  
 76.2 ownership of voting securities, by contract, or otherwise.

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

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

76.10 Sec. 42. Minnesota Statutes 2006, section 124D.10, subdivision 24, is amended to read:

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

76.21 Sec. 43. **[124D.645] MULTIRACIAL DIVERSITY.**

76.22 (a) Notwithstanding other law or rule to the contrary and in order to effectively  
 76.23 meet students' educational needs and foster parents' meaningful participation in their  
 76.24 children's education, a school district may apply to the commissioner for a waiver from  
 76.25 the requirement to maintain racial balance within a district school if the racial imbalance  
 76.26 in that school results from:

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

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

76.32 The commissioner must grant the waiver if the district in which the school is located offers  
 76.33 the multiracial students or the limited English proficiency students, as appropriate, the



77.1 option of enrolling in another school with the requisite racial balance, and the students'  
77.2 parents choose not to pursue that option.

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

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

77.7 Sec. 44. Minnesota Statutes 2006, section 124D.84, subdivision 1, is amended to read:

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

77.13 Scholarships must be for accredited degree programs in accredited Minnesota colleges  
77.14 or universities or for courses in accredited Minnesota business, technical, or vocational  
77.15 schools. Scholarships may also be given to students attending Minnesota colleges that  
77.16 are in candidacy status for obtaining full accreditation, and are eligible for and receiving  
77.17 federal financial aid programs. Students are also eligible for scholarships when enrolled  
77.18 as students in Minnesota higher education institutions that have joint programs with  
77.19 other accredited higher education institutions. ~~Scholarships shall be used to defray the~~  
77.20 ~~total cost of education including tuition, incidental fees, books, supplies, transportation,~~  
77.21 ~~other related school costs and the cost of board and room and shall be paid directly to the~~  
77.22 ~~college or school concerned where the student receives federal financial aid. The total cost~~  
77.23 ~~of education includes all tuition and fees for each student enrolling in a public institution~~  
77.24 ~~and the portion of tuition and fees for each student enrolling in a private institution that~~  
77.25 ~~does not exceed the tuition and fees at a comparable public institution.~~ Each student  
77.26 shall be awarded a scholarship based on ~~the total cost of the student's education and~~  
77.27 a federal standardized need analysis after application of federal Pell money, state grant  
77.28 money, and other scholarships. Depending upon students' unmet needs, the Minnesota  
77.29 Indian scholarship program may award up to the current federal Pell grant allowable  
77.30 maximum student award per school year. Applicants are encouraged to apply for all other  
77.31 sources of financial aid.

77.32 When an Indian student satisfactorily completes the work required by a certain  
77.33 college or school in a school year the student is eligible for additional scholarships, if  
77.34 additional training is necessary to reach the student's educational and vocational objective.  
77.35 Scholarships may not be given to any Indian student for more than five years of study at

78.1 the undergraduate level and five years at the graduate level. Students may acquire only  
78.2 one degree per level and one terminal degree.

78.3 Sec. 45. **[124D.8955] PARENT AND FAMILY INVOLVEMENT POLICY.**

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

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

78.9 (2) parenting skills;

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

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

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

78.15 (6) providing community resources to strengthen schools, families, and student  
78.16 learning.

78.17 (b) The school board must convene an advisory committee composed of an equal  
78.18 number of resident parents who are not district employees and school staff to make  
78.19 recommendations to the board on developing and evaluating the board's parent and family  
78.20 involvement policy. If possible, the advisory committee must represent the diversity of  
78.21 the district. The advisory committee must consider the district's demographic diversity  
78.22 and barriers to parent involvement when developing its recommendations. The advisory  
78.23 committee must present its recommendations to the board for board consideration.

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

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

78.28 **EFFECTIVE DATE.** This section is effective January 1, 2008, and later.

78.29 Sec. 46. Minnesota Statutes 2006, section 126C.10, subdivision 34, is amended to read:

78.30 Subd. 34. **Basic alternative teacher compensation aid.** (a) ~~For fiscal year 2006,~~  
78.31 ~~the basic alternative teacher compensation aid for a school district or an intermediate~~  
78.32 ~~school district with a plan approved under section 122A.414, subdivision 2b, equals the~~  
78.33 ~~alternative teacher compensation revenue under section 122A.415, subdivision 1. The~~  
78.34 ~~basic alternative teacher compensation aid for a charter school with an approved plan~~

79.1 ~~under section 122A.414, subdivision 2b, equals \$260 times the number of pupils enrolled~~  
79.2 ~~in the school on October 1 of the previous school year, or on October 1 of the current~~  
79.3 ~~fiscal year for a charter school in the first year of operation.~~

79.4 (b) For fiscal year 2007 and later, the basic alternative teacher compensation aid for  
79.5 a school district with a plan approved under section 122A.414, subdivision 2b, equals  
79.6 73.1 percent of the alternative teacher compensation revenue under section 122A.415,  
79.7 subdivision 1. The basic alternative teacher compensation aid for ~~an intermediate school~~  
79.8 ~~district or~~ a charter school with a plan approved under section 122A.414, subdivisions 2a  
79.9 and 2b, ~~if the recipient is a charter school,~~ equals \$260 times the number of pupils enrolled  
79.10 in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal  
79.11 year for a charter school in the first year of operation, times the ratio of the sum of the  
79.12 alternative teacher compensation aid and alternative teacher compensation levy for all  
79.13 participating school districts to the maximum alternative teacher compensation revenue  
79.14 for those districts under section 122A.415, subdivision 1.

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

79.18 (c) Notwithstanding paragraphs (a) and (b),<sup>2</sup> and section 122A.415, subdivision 1,  
79.19 the state total basic alternative teacher compensation aid entitlement must not exceed  
79.20 \$19,329,000 for fiscal year 2006 and \$75,636,000 for fiscal year 2007 and later. The  
79.21 commissioner must limit the amount of alternative teacher compensation aid approved  
79.22 under section 122A.415 so as not to exceed these limits.

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

79.24 Sec. 47. **[135A.104] COLLEGE READINESS.**

79.25 (a) The Minnesota State Colleges and Universities must collaborate with the office  
79.26 of educational accountability under section 120B.31, subdivision 3, in determining  
79.27 passing scores on the Minnesota comprehensive assessments in reading and language arts  
79.28 for grade 10 and in mathematics for grade 11 under section 120B.30 so that "passing  
79.29 score" performances on those two assessments represent a student's college readiness. For  
79.30 purposes of this section and chapter 120B, "college readiness" means that a student who  
79.31 graduates from a public high school is immediately ready to take college courses for  
79.32 college credit in a two-year or a four-year institution within the Minnesota State Colleges  
79.33 and Universities system. The Minnesota State Colleges and Universities also must  
79.34 collaborate with the commissioner of education to develop and implement a statewide

80.1 plan to communicate the state's expectations for college readiness to all Minnesota high  
80.2 school students no later than the beginning of ninth grade.

80.3 (b) The entrance and admission materials that the Minnesota State Colleges and  
80.4 Universities provide to prospective students must clearly indicate the level of academic  
80.5 preparation that students must have in order to be ready to immediately take college  
80.6 courses for college credit in two-year and four-year institutions.

80.7 Sec. 48. Laws 2005, First Special Session chapter 5, article 2, section 81, as amended  
80.8 by Laws 2006, chapter 263, article 2, section 20, is amended to read:

80.9 Sec. 81. **BOARD OF SCHOOL ADMINISTRATORS; RULEMAKING**  
80.10 **AUTHORITY.**

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

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

80.16 Sec. 49. **GRANT PROGRAM TO PROMOTE PROFESSIONAL TEACHING**  
80.17 **STANDARDS.**

80.18 Subdivision 1. **Establishment.** A grant program to promote professional teaching  
80.19 standards through the National Board for Professional Teaching Standards is established to  
80.20 provide teachers with the opportunity to receive National Board for Professional Teaching  
80.21 Standards certification and to reward teachers who have already received this certification.

80.22 Subd. 2. **Eligibility.** An applicant for a grant must:

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

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

80.25 (3) demonstrate acceptance by the National Board for Professional Teaching  
80.26 Standards as a candidate for board certification or as a recipient of board certification.

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

81.1            Subd. 4. **Grant awards; proceeds.** (a) The commissioner may award grants of  
81.2            \$1,000 to eligible teachers accepted as candidates for the National Board for Professional  
81.3            Teaching Standards certification or for national board certification renewal for partial  
81.4            payment of the teacher's candidate application fee.

81.5            (b) The commissioner shall award grants of \$3,000 to all eligible teacher applicants  
81.6            who hold certification from the National Board for Professional Teaching Standards and  
81.7            \$2,000 for renewal of their national board certification.

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

81.14           **Sec. 50. EXPERIENCE REQUIREMENTS.**

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

81.19           **Sec. 51. RULEMAKING AUTHORITY.**

81.20           The commissioner of education shall adopt rules for implementing and administering  
81.21           the graduation-required assessment for diploma (GRAD) in reading and mathematics  
81.22           and in writing, consistent with Minnesota Statutes, section 120B.30, subdivision 1, and  
81.23           for public review of the GRAD test. The rules must specify the GRAD requirements  
81.24           that apply to students in unique circumstances including dual enrolled students, English  
81.25           language learners, foreign exchange students, home school students, open enrollment  
81.26           students, Minnesota postsecondary enrollment options students, shared-time students,  
81.27           transfer students from other states, and district-placed students and students attending  
81.28           school under a tuition agreement. The rules must establish the criteria for determining  
81.29           individualized GRAD passing scores for students with an individual education plan or  
81.30           a Section 504 plan and for using an alternative assessment when a student's individual  
81.31           education plan team decides to replace the GRAD test.

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

81.33           **Sec. 52. RULEMAKING REQUIRED.**

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

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

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

82.9 Sec. 53. **RULEMAKING AUTHORIZED; SUPPLEMENTAL EDUCATION**  
82.10 **SERVICE PROVIDERS.**

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

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

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

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

82.23 Sec. 54. **RULEMAKING AUTHORITY.**

82.24 (a) The commissioner of education shall adopt rules under Minnesota Statutes,  
82.25 chapter 14, for physical education standards required for high school graduation, consistent  
82.26 with requirements governing Minnesota Statutes, sections 120B.021, subdivision 1, clause  
82.27 (5)(i), and 120B.024, paragraph (a), clause (6), after reviewing the six physical education  
82.28 standards developed by the Department of Education's health and physical education  
82.29 quality teaching network and consulting with interested and qualified stakeholders and  
82.30 members of the public about the proposed substance of the physical education standards.

82.31 (b) Consistent with the requirements governing Minnesota Statutes, sections  
82.32 120B.021, subdivision 1, clause (5)(ii), and 120B.024, paragraph (a), clause (6), the  
82.33 commissioner of education must use the expedited rulemaking process under Minnesota

83.1 Statutes, section 14.389, to adopt a rule governing physical education standards that  
83.2 contains the six National Physical Education Standards developed by the National  
83.3 Association for Sport and Physical Education requiring a physically educated person to:

83.4 (1) demonstrate competency in motor skills and movement patterns needed to  
83.5 perform a variety of physical activities;

83.6 (2) demonstrate understanding of movement concepts, principles, strategies, and  
83.7 tactics as they apply to learning and performance of physical activities;

83.8 (3) participate regularly in physical education;

83.9 (4) achieve and maintain a health-enhancing level of physical fitness;

83.10 (5) exhibit responsible personal and social behavior that respects one's self and  
83.11 others in physical activity settings; and

83.12 (6) value physical activity for health, enjoyment, challenge, self-expression, and  
83.13 social interaction.

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

83.15 **Sec. 55. WORLD LANGUAGES RESOURCES.**

83.16 (a) The commissioner of education shall employ a full-time state coordinator for  
83.17 world languages education within the department by July 1, 2007. The commissioner shall  
83.18 seek advice from the quality teaching network before assigning or hiring the coordinator.  
83.19 The coordinator, at a minimum, shall:

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

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

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

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

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

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

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

84.10 (c) Beginning July 1, 2008, the department shall assist world languages teachers  
84.11 and other school staff in developing and implementing world languages programs  
84.12 that acknowledge and reinforce the language proficiency and cultural awareness that  
84.13 non-English language speakers already possess, and encourage students' proficiency in  
84.14 multiple world languages. Programs under this paragraph must encompass indigenous  
84.15 American Indian languages and cultures, among other world languages and cultures. The  
84.16 department shall consult with postsecondary institutions in developing related professional  
84.17 development opportunities

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

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

84.24 **Sec. 56. WORLD LANGUAGES PILOT PROGRAM GRANTS.**

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

84.32 (b) Interested school sites and school districts must apply to the commissioner of  
84.33 education in the form and manner the commissioner determines. The application must  
84.34 indicate whether the applicant intends to develop a new world languages program or  
84.35 expand an existing world languages program and whether the applicant intends to offer



85.1 more intensive programs or programs that are readily accessible to larger numbers of  
85.2 students. Applicants must agree to disseminate information about their programs to  
85.3 interested school sites and school districts.

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

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

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

85.17 Sec. 57. **BILINGUAL AND MULTILINGUAL CERTIFICATES; DEPARTMENT**  
85.18 **OF EDUCATION.**

85.19 The Department of Education, in consultation with interested stakeholders, must  
85.20 develop and recommend to the legislature by February 15, 2008, the standards and process  
85.21 for awarding bilingual and multilingual certificates to those kindergarten through grade  
85.22 12 students who demonstrate and maintain a requisite level of proficiency in multiple  
85.23 languages.

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

85.25 Sec. 58. **MASTER TEACHER TRAINING IN ECONOMICS AND PERSONAL**  
85.26 **FINANCE.**

85.27 The commissioner of education must contract with the Minnesota Council on  
85.28 Economic Education to allow 20 highly qualified economics and personal finance teachers  
85.29 throughout the state to participate in a week-long summer training program that offers  
85.30 content, skills for teaching adults, mentoring, and workshop planning and delivery. The  
85.31 program must enable participants, as master teachers, to provide professional development  
85.32 to other teachers interested in improving their teaching of economics and personal  
85.33 finance. Successful master teachers may co-teach teacher workshops with members

86.1 of the statewide network of centers for economic education and provide professional  
86.2 development workshops as part of school districts' professional development programs.

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

86.4 Sec. 59. **SCHOOL PERFORMANCE REPORT CARDS; ADVISORY GROUP**  
86.5 **RECOMMENDATIONS.**

86.6 (a) To sustain equity and excellence in education, the Independent Office of  
86.7 Educational Accountability under Minnesota Statutes, section 120B.31, subdivision 3,  
86.8 must convene and facilitate an advisory group of measurement experts to consider and  
86.9 recommend how to structure school performance data and school performance report  
86.10 cards under Minnesota Statutes, section 120B.36, subdivision 1, to fully, fairly, and  
86.11 accurately report student achievement and emphasize school excellence under Minnesota's  
86.12 system of educational accountability and public reporting. The advisory group at least  
86.13 must consider and recommend how to: evaluate student achievement using multiple  
86.14 measures of growth that take into account student demographic characteristics, consistent  
86.15 with Minnesota Statutes, section 120B.31, subdivision 4; and identify outstanding schools  
86.16 based on student achievement and achievement growth and using multiple performance  
86.17 measures that are objective and consistent with the highest standards in the field of  
86.18 educational measurements and accountability. The advisory group, at its discretion, may  
86.19 also consider and make recommendations on other related statewide accountability and  
86.20 reporting matters.

86.21 (b) Advisory group members under paragraph (a) include: two qualified experts in  
86.22 measurement in education selected by the State Council on Measurement in Education;  
86.23 three regionally diverse school district research and evaluation directors selected by the  
86.24 Minnesota Assessment Group; one school superintendent selected by the Minnesota  
86.25 Association of School Administrators; one University of Minnesota faculty selected by  
86.26 the dean of the College of Education and Human Development; one licensed teacher  
86.27 selected by Education Minnesota; two parents selected by the Minnesota Parent Teachers  
86.28 Association with expertise in measurement in education; and the director of evaluation and  
86.29 testing at the Minnesota Department of Education. Advisory group members' terms and  
86.30 other advisory group matters are subject to Minnesota Statutes, section 15.059, subdivision  
86.31 6. The Independent Office of Educational Accountability must present the advisory group's  
86.32 recommendations under paragraph (a) to the education policy and finance committees of  
86.33 the legislature by February 15, 2008. The advisory group expires February 16, 2008.

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

87.1       Sec. 60. **ALTERNATIVE SCHOOL CALENDAR PILOT PROGRAM.**

87.2       Subdivision 1. **Establishment.** Notwithstanding Minnesota Statutes, section  
87.3 120A.41 or 120A.415, or other law to the contrary, but consistent with Minnesota  
87.4 Statutes, section 124D.128, an alternative school calendar pilot program is established to  
87.5 examine the impact of school calendar arrangements on student learning by comparing  
87.6 students' academic gains in school districts and charter schools that use traditional and  
87.7 nontraditional school calendars. The commissioner of education must structure the  
87.8 program and select elementary and secondary program participants with the purpose of  
87.9 comparing the impact of traditional and nontraditional school calendars on:

87.10       (1) the amount of educational material students retain after school vacations;

87.11       (2) the educational enrichment opportunities and remedial help available to students  
87.12 throughout the school year;

87.13       (3) the impact of the calendar on student attendance, student disciplinary actions,  
87.14 and student achievement test scores; and

87.15       (4) the amount of time available to students and school staff for out-of-school  
87.16 learning, vacations, and recreation.

87.17       Subd. 2. **Eligibility; application.** An interested school district, charter school, or  
87.18 groups of school districts or charter schools that participate for a particular purpose may  
87.19 apply to the commissioner of education to participate in the pilot program in the form  
87.20 and manner the commissioner determines. An applicant must identify in its application  
87.21 the internal and external factors that it anticipates may determine its preference for a  
87.22 traditional or nontraditional school calendar, including the impact of the school calendar  
87.23 on: costs related to employee compensation, transportation, food, facility use throughout  
87.24 the calendar year, and facility maintenance; needs of at-risk students; number of  
87.25 instructional and staff development days; and the availability of extracurricular activities,  
87.26 community resources, and before- and after-school care and child care. The commissioner  
87.27 may require an applicant to provide additional information.

87.28       Subd. 3. **Application review; grant awards.** When reviewing an application, the  
87.29 commissioner must determine whether the applicant met the requirements in subdivisions  
87.30 1 and 2, and only an applicant that satisfies all the requirements is eligible to receive a  
87.31 grant under this section. The commissioner must equitably distribute grant awards, to the  
87.32 extent feasible, on the basis of geography and must consider grant applications from  
87.33 existing and proposed flexible learning year programs under Minnesota Statutes, section  
87.34 124D.12. The commissioner must base the amount of the grant award on the number of  
87.35 students the grantee has enrolled in school and the length and structure of the grantee's

88.1 school calendar. Grant expenditures must be consistent with budget information the  
88.2 grantee periodically submits to the commissioner.

88.3 Subd. 4. **Evaluation.** The commissioner must provide for an ongoing annual  
88.4 evaluation of the impact of school calendar arrangements on student learning under  
88.5 subdivision 1, clauses (1) to (4). Within 180 days of when the pilot program terminates,  
88.6 the commissioner must recommend to the education policy and finance committees of the  
88.7 legislature preferred school calendars based upon demonstrated student achievement and  
88.8 the criteria listed in subdivision 1.

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

88.10 Sec. 61. **AMERICAN INDIAN SCHOLARSHIP.**

88.11 Administration of the American Indian scholarship program under Minnesota  
88.12 Statutes, section 124D.84, is transferred from the Department of Education to the  
88.13 Minnesota Office of Higher Education. The Minnesota Office of Higher Education must  
88.14 maintain an office at no cost to the scholarship program that employs at least one person in  
88.15 the Bemidji area for distributing scholarships under this section. Office space and support  
88.16 may be provided by Bemidji State University at no cost to the scholarship program.

88.17 Sec. 62. **TEACHER TRAINING TO INTEGRATE LEARNING**  
88.18 **TECHNOLOGIES INTO K-12 CLASSROOMS.**

88.19 (a) The commissioner of education must contract with the University of Minnesota  
88.20 for qualified experts to provide teacher training in effectively using computers and  
88.21 related technologies in kindergarten through grade 12 classrooms. The experts must  
88.22 provide professional development opportunities to teachers throughout the state and  
88.23 enable participants to successfully use technology-related instructional resources to help  
88.24 diverse students meet state and local academic standards and graduation requirements and  
88.25 achieve educational excellence, and enhance teachers' learning and curriculum content  
88.26 and instruction. The experts also must enable participants to serve as master teachers to  
88.27 provide professional development to other teachers interested in better integrating the use  
88.28 of learning technologies into kindergarten through grade 12 classrooms. Participants who  
88.29 serve as master teachers may co-teach teacher workshops with other qualified professional  
88.30 development providers and participate in professional development workshops as part  
88.31 of school districts' professional development programs.

88.32 (b) The commissioner of education must provide for an evaluation of the  
88.33 effectiveness of the teacher training program under paragraph (a) and recommend to the

89.1 education policy and finance committees of the legislature by February 15, 2010, whether  
89.2 or not to make the program available statewide.

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

89.4 Sec. 63. **ADVISORY TASK FORCE ON MINNESOTA AMERICAN INDIAN**  
89.5 **TRIBES AND COMMUNITIES AND K-12 STANDARDS-BASED REFORM.**

89.6 (a) The commissioner of education shall appoint an advisory task force on  
89.7 Minnesota American Indian tribes and communities and kindergarten through grade 12  
89.8 standards-based reform that is composed of the following representatives: Department  
89.9 of Education staff experienced in working with American Indian students and programs;  
89.10 Minnesota American Indian tribes and communities; Minnesota School Board Association;  
89.11 school administrators; Education Minnesota; the state Board of Teaching; the Minnesota  
89.12 Council on Indian Affairs; postsecondary faculty who serve as instructors in teacher  
89.13 preparation programs; local community service providers who work with Minnesota  
89.14 American Indian tribes and communities; and other representatives recommended by task  
89.15 force members. Task force members' terms and other task force matters are subject to  
89.16 Minnesota Statutes, section 15.059, subject to the limits of available appropriations. The  
89.17 task force must submit a written report to the education policy and finance committees  
89.18 of the legislature by February 15, 2008, that includes any recommended changes to the  
89.19 state's performance standards, content requirements, assessments measures, and teacher  
89.20 preparation programs to most effectively meet the educational needs of American Indian  
89.21 students enrolled in Minnesota schools.

89.22 (b) Upon request, the commissioner of education must provide the task force with  
89.23 technical, fiscal, and other support.

89.24 (c) The task force expires on February 16, 2008.

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

89.26 Sec. 64. **ADVISORY TASK FORCE TO CONSIDER AND RECOMMEND A**  
89.27 **REDESIGN OF MIDDLE SCHOOLS.**

89.28 (a) An advisory task force of qualified experts is established to consider and  
89.29 recommend to the legislature a redesign of middle schools that at least addresses how  
89.30 best to:

89.31 (1) restructure middle school to successfully promote the intellectual and social  
89.32 development of young adolescent students;

90.1           (2) maximize the relationships between teachers and young adolescent students  
90.2 and among young adolescent students to effectively support young adolescent student  
90.3 achievement;

90.4           (3) provide world-class mathematics, science, and technology instruction and  
90.5 curriculum that capitalizes on community-based resources and reflects the learning  
90.6 characteristics of young adolescent students;

90.7           (4) implement a research-based educational structure and system that allows all  
90.8 young adolescent students to succeed;

90.9           (5) restructure the school calendar to accommodate the needs of all young adolescent  
90.10 students in meeting applicable academic standards and personal and institutional  
90.11 expectations; and

90.12           (6) emphasize the personalization of learning that, among other possibilities, extends  
90.13 learning opportunities in career and technical and other fields and allows young adolescent  
90.14 students flexibility in how they complete rigorous academic requirements.

90.15           (b) The commissioner of education shall appoint members to an advisory task force  
90.16 on the redesign of middle schools from each of the following entities: school principals;  
90.17 school administrators; school teachers including teachers teaching career and technical  
90.18 courses and programs; school counselors; parents of currently enrolled public middle  
90.19 school students; the state Board of Teaching; the Minnesota School Boards Association;  
90.20 the Minnesota Education Department; community-based businesses and industries;  
90.21 and any other representatives of entities the commissioner determines are qualified to  
90.22 participate. Advisory task force members' terms and other advisory task force matters  
90.23 are subject to Minnesota Statutes, section 15.059. The advisory task force must submit  
90.24 its written recommendations under paragraph (a) to the education policy and finance  
90.25 committees of the legislature by February 15, 2008. The Department of Education must  
90.26 provide technical and other assistance to the advisory task force upon request.

90.27           (c) The task force expires February 16, 2008.

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

90.29           Sec. 65. **REVISOR'S INSTRUCTION.**

90.30           The revisor of statutes shall renumber Minnesota Statutes, section 124D.84 to  
90.31 section 136A.126, correct cross-references, and make other necessary corrections to  
90.32 implement section 61.

90.33           Sec. 66. **APPROPRIATIONS.**

91.1            Subdivision 1. **Minnesota Office of Higher Education.** The sums indicated in  
91.2 this section are appropriated from the general fund to the Minnesota Office of Higher  
91.3 Education for the fiscal years designated.

91.4            Subd. 2. **American Indian scholarships.** For American Indian scholarships under  
91.5 Minnesota Statutes, section 124D.84:

91.6            \$        1,950,000    ..... 2008

91.7            \$        1,950,000    ..... 2009

91.8            Of this appropriation, \$75,000 per year is for administration under section 59.

91.9            Sec. 67. **APPROPRIATIONS**

91.10           Subdivision 1. **Board of Regents of the University of Minnesota.** The sums  
91.11 indicated in this section are appropriated from the general fund to the Board of Regents of  
91.12 the University of Minnesota for the fiscal years designated.

91.13           Subd. 2. **Independent Office of Educational Accountability.** For the Independent  
91.14 Office of Educational Accountability under Minnesota Statutes, section 120B.31,  
91.15 subdivision 3:

91.16           \$        200,000    ..... 2008

91.17           \$        200,000    ..... 2009

91.18           This is a onetime appropriation.

91.19           Sec. 68. **APPROPRIATIONS.**

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

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

91.24           \$        31,875,000    ..... 2008

91.25           \$        36,193,000    ..... 2009

91.26           The 2008 appropriation includes \$2,814,000 for 2007 and \$29,061,000 for 2008.

91.27           The 2009 appropriation includes \$3,229,000 for 2008 and \$32,964,000 for 2009.

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

91.30           \$        1,896,000    ..... 2008

91.31           \$        2,161,000    ..... 2009

92.1 The 2008 appropriation includes \$241,000 for 2007 and \$1,655,000 for 2008.

92.2 The 2009 appropriation includes \$183,000 for 2008 and \$1,978,000 for 2009.

92.3 Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section

92.4 124D.86, subdivision 5:

92.5 \$ 61,769,000 ..... 2008

92.6 \$ 61,000,000 ..... 2009

92.7 The 2008 appropriation includes \$5,824,000 for 2007 and \$55,945,000 for 2008.

92.8 The 2009 appropriation includes \$6,216,000 for 2008 and \$54,784,000 for 2009.

92.9 Subd. 5. **Magnet school program grants.** For magnet school program grants:

92.10 \$ 750,000 ..... 2008

92.11 \$ 750,000 ..... 2009

92.12 These amounts may be used for magnet school programs under Minnesota Statutes,

92.13 section 124D.88.

92.14 Up to \$100,000 each year is available for site-based decision-making grants under

92.15 Minnesota Statutes, section 123B.04, subdivision 2, clause (g).

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

92.17 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For

92.18 interdistrict desegregation or integration transportation grants under Minnesota Statutes,

92.19 section 124D.87:

92.20 \$ 9,639,000 ..... 2008

92.21 \$ 11,567,000 ..... 2009

92.22 Subd. 7. **Success for the future.** For American Indian success for the future grants

92.23 under Minnesota Statutes, section 124D.81:

92.24 \$ 2,137,000 ..... 2008

92.25 \$ 2,137,000 ..... 2009

92.26 The 2008 appropriation includes \$213,000 for 2007 and \$1,924,000 for 2008.

92.27 The 2009 appropriation includes \$213,000 for 2008 and \$1,924,000 for 2009.

92.28 Subd. 8. **American Indian teacher preparation grants.** For joint grants to assist

92.29 American Indians to become teachers under Minnesota Statutes, section 122A.63:

92.30 \$ 190,000 ..... 2008

92.31 \$ 190,000 ..... 2009



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

93.3            \$        2,251,000    ..... 2008

93.4            \$        2,463,000    ..... 2009

93.5            The 2008 appropriation includes \$204,000 for 2007 and \$2,047,000 for 2008.

93.6            The 2009 appropriation includes \$227,000 for 2008 and \$2,236,000 for 2009.

93.7            Subd. 10. **Early childhood family education programs at tribal contract schools.**

93.8 For early childhood family education programs at tribal contract schools under Minnesota

93.9 Statutes, section 124D.83, subdivision 4:

93.10           \$        68,000    ..... 2008

93.11           \$        68,000    ..... 2009

93.12           Subd. 11. **Statewide testing and reporting system.** For the statewide testing and  
93.13 reporting system under Minnesota Statutes, section 120B.30:

93.14           \$        12,650,000    ..... 2008

93.15           \$        12,650,000    ..... 2009

93.16           \$11,500,000 each year is to continue the general administration and reporting of the  
93.17 statewide testing program.

93.18           \$1,150,000 each year is for the value-added index assessment model.

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

93.20           The base for this program in fiscal year 2010 and later is \$12,650,000.

93.21           Subd. 12. **First grade preparedness.** For first grade preparedness grants under  
93.22 Minnesota Statutes, section 124D.081:

93.23           \$        7,250,000    ..... 2008

93.24           Subd. 13. **Examination fees; teacher training and support programs.** (a) For  
93.25 students' advanced placement and international baccalaureate examination fees under  
93.26 Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs  
93.27 for teachers and other interested educators under Minnesota Statutes, section 120B.13,  
93.28 subdivision 1:

93.29           \$        4,500,000    ..... 2008

93.30           \$        4,500,000    ..... 2009

93.31           (b) The appropriation under this subdivision must be allocated by the department  
93.32 to reflect the proportion of students that are enrolled in each program. The department,  
93.33 in consultation with representatives of the advanced placement and international

94.1 baccalaureate programs selected by the Advanced Placement Advisory Council and  
 94.2 IBMN, respectively, shall determine the amounts of the expenditures each year for  
 94.3 examination fees and training and support programs for each program.

94.4 (c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least  
 94.5 \$500,000 each year is for teachers to attend subject matter summer training programs  
 94.6 and follow-up support workshops approved by the advanced placement or international  
 94.7 baccalaureate programs. The amount of the subsidy for each teacher attending an  
 94.8 advanced placement or international baccalaureate summer training program or workshop  
 94.9 shall be the same. The commissioner shall determine the payment process and the amount  
 94.10 of the subsidy.

94.11 (d) The commissioner shall pay all examination fees for all students of low-income  
 94.12 families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent  
 94.13 of available appropriations shall also pay examination fees for students sitting for an  
 94.14 advanced placement examination, international baccalaureate examination, or both.

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

94.16 Subd. 14. **Preadvanced placement, advanced placement, international**  
 94.17 **baccalaureate, and concurrent enrollment programs.** For preadvanced placement,  
 94.18 advanced placement, international baccalaureate, and concurrent enrollment programs  
 94.19 under Minnesota Statutes, sections 120B.132 and 124D.091:

94.20 \$ 7,740,000 ..... 2008

94.21 \$ 8,600,000 ..... 2009

94.22 The 2008 appropriation includes \$0 for fiscal year 2007 and \$7,740,000 for fiscal  
 94.23 year 2008. The 2009 appropriation includes \$860,000 for fiscal year 2008 and \$7,740,000  
 94.24 for fiscal year 2009.

94.25 Of this amount, \$2,500,000 each year is for concurrent enrollment program aid  
 94.26 under Minnesota Statutes, section 124D.091. If the appropriation is insufficient, the  
 94.27 commissioner must proportionately reduce the aid payment to each district.

94.28 Subd. 15. **Collaborative urban educator.** For collaborative urban educator grants  
 94.29 under Minnesota Statutes, section 122A.641:

94.30 \$ 1,301,000 ..... 2008

94.31 \$ 1,301,000 ..... 2009

94.32 \$500,000 each year is for the Southeast Asian teacher program at Concordia  
 94.33 University, St. Paul; \$400,000 each year is for the collaborative urban educator program at  
 94.34 the University of St. Thomas; and \$400,000 each year is for the Center for Excellence in

95.1 Urban Teaching at Hamline University. Grant recipients must collaborate with urban and  
95.2 nonurban school districts.

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

95.4 Subd. 16. **Youth works program.** For funding youth works programs under  
95.5 Minnesota Statutes, sections 124D.37 to 124D.45:

95.6 \$ 900,000 .... 2008

95.7 \$ 900,000 .... 2009

95.8 A grantee organization may provide health and child care coverage to the dependents  
95.9 of each participant enrolled in a full-time youth works program to the extent the coverage  
95.10 is not otherwise available.

95.11 Subd. 17. **Early childhood literacy programs.** For early childhood literacy  
95.12 programs under Minnesota Statutes, section 119A.50, subdivision 3:

95.13 \$ 1,500,000 .... 2008

95.14 \$ 1,500,000 .... 2009

95.15 \$1,000,000 each year is for leveraging federal and private funding to support  
95.16 AmeriCorps members serving in the Minnesota Reading Corps program established by  
95.17 Serve Minnesota, including costs associated with the training and teaching of early literacy  
95.18 skills to children age three to grade 3 and the evaluation of the impact of the program  
95.19 under Minnesota Statutes, section 124D.42, subdivision 8.

95.20 \$500,000 each year is for grants for early childhood literacy programs under  
95.21 Minnesota Statutes, section 119A.50, subdivision 3, paragraph (a).

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

95.23 Subd. 18. **St. Croix River Education District.** For a grant to the St. Croix River  
95.24 Education District:

95.25 \$ 500,000 .... 2008

95.26 \$ 500,000 .... 2009

95.27 These funds must be used to:

95.28 (1) deliver standardized research-based professional development in  
95.29 problem-solving, including response to intervention, scientifically based reading  
95.30 instruction, and standards-aligned instruction and assessment;

95.31 (2) provide coaching to targeted districts throughout the state;

95.32 (3) deliver large scale training throughout the state;

95.33 (4) provide ongoing technical assistance to schools;

96.1 (5) assist with implementing professional development content into higher education  
96.2 instructional curricula; and

96.3 (6) evaluate the effectiveness of project activities.

96.4 This is a onetime appropriation.

96.5 Subd. 19. **Student organizations.** For student organizations:

96.6 \$ 725,000 .... 2008

96.7 \$ 725,000 .... 2009

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

96.9 Subd. 20. **College level examination program (CLEP).** For the college level  
96.10 examination program (CLEP) under Minnesota Statutes, section 120B.131:

96.11 \$ 1,650,000 .... 2008

96.12 \$ 1,650,000 .... 2009

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

96.14 Subd. 21. **Education planning and assessment (EPAS) program.** For the  
96.15 educational planning and assessment (EPAS) program under Minnesota Statutes, section  
96.16 120B.128:

96.17 \$ 829,000 .... 2008

96.18 \$ 829,000 .... 2009

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

96.20 The base for this program in fiscal year 2010 and later is \$829,000.

96.21 Subd. 22. **21st century high schools.** (a) For 21st century high schools:

96.22 \$ 1,920,000 .... 2008

96.23 \$ 6,843,000 .... 2009

96.24 (b) \$1,000,000 in fiscal year 2008 is for grants for alternative school calendar pilot  
96.25 programs under section 60. Grant funds may be used for pupil transportation costs.

96.26 (c) \$6,443,000 in fiscal year 2009 is for Career and Technical Aid under Minnesota  
96.27 Statutes, section 124D.4531. The 2009 appropriation includes \$0 for fiscal year 2008 and  
96.28 \$6,443,000 for fiscal year 2009.

96.29 (d) \$500,000 in fiscal year 2008 is for professional teacher licensure.

96.30 (e) \$150,000 each year is for the quantum opportunities program.

96.31 (f) \$250,000 each year is for world languages resources for developing and  
96.32 implementing world languages programs.

97.1 (g) \$20,000 in fiscal year 2008 is for the committee on American Indian education  
97.2 under Minnesota Statutes, section 124D.805.

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

97.4 The base for this appropriation for fiscal year 2010 is \$7,352,000 and \$7,572,000  
97.5 for fiscal year 2011.

97.6 Subd. 23. **Minnesota teacher development.** (a) Effective, well prepared, fully  
97.7 engaged, and adequately supported kindergarten through grade 12 classroom teachers,  
97.8 along with parents, are critical partners in helping the many diverse student populations  
97.9 realize meaningful academic achievement. To afford students needed opportunities  
97.10 to learn effectively without remediation; to acknowledge and reinforce the language  
97.11 proficiency and cultural awareness that diverse language speakers possess; to encourage  
97.12 students' proficiency in science, technology, mathematics, engineering, economics, civics,  
97.13 and foreign languages; and to provide new and experienced teachers with sufficient staff  
97.14 development resources and support to effectively work to close the student achievement  
97.15 gap, the following resources are provided:

97.16 \$ 4,950,000 .... 2008

97.17 \$ 4,000,000 .... 2009

97.18 (b) \$400,000 each year is for a grant to the Minnesota Humanities Commission  
97.19 under Minnesota Statutes, section 138.911.

97.20 (c) \$150,000 each year is for a grant to the Minnesota Historical Society.

97.21 (d) \$400,000 each year is for the Principals' Leadership Institute under Minnesota  
97.22 Statutes, section 122A.74. Any balance in the first year does not cancel but is available  
97.23 in the second year.

97.24 (e) \$1,300,000 each year is for teachers of color scholarships under Minnesota  
97.25 Statutes, section 122A.633.

97.26 (f) \$2,600,000 in fiscal year 2008 and \$1,750,000 in fiscal year 2009 are for  
97.27 professional development programs. Of this amount: \$1,667,000 in fiscal year 2008 and  
97.28 \$1,125,000 in fiscal year 2009 are for grants for up to five teacher centers under Minnesota  
97.29 Statutes, section 122A.72, subdivision 5, for the science, technology, engineering and  
97.30 mathematics initiative including teacher workshops and expanded outreach programs  
97.31 in classrooms; \$333,000 in fiscal year 2008 and \$225,000 in fiscal year 2009 are for  
97.32 a grant to the Science Museum of Minnesota for the science, technology, engineering,  
97.33 and mathematics initiative; \$200,000 in fiscal year 2008 is for a grant to the Minnesota  
97.34 Council on Economic Education for master teacher training in economics and personal  
97.35 finance; and \$400,000 each year is for teacher technology training grants under section 62.

98.1 (g) \$100,000 in fiscal year 2008 is for a grant to the commissioner of education for a  
98.2 grant to the Learning Law and Democracy Foundation for the development and electronic  
98.3 collection, review, and distribution of educational materials supporting Minnesota's  
98.4 kindergarten through grade 12 education standards for civics and government.

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

98.6 The base for the appropriations contained in this subdivision for fiscal year 2010 and  
98.7 later is \$800,000 per year.

98.8 Sec. 69. **REPEALER.**

98.9 Minnesota Statutes 2006, sections 120B.233; 121A.23; and 124D.62, are repealed.

### 98.10 ARTICLE 3

### 98.11 SPECIAL PROGRAMS

98.12 Section 1. Minnesota Statutes 2006, section 123B.92, subdivision 1, is amended to read:

98.13 Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the  
98.14 terms defined in this subdivision have the meanings given to them.

98.15 (a) "Actual expenditure per pupil transported in the regular and excess transportation  
98.16 categories" means the quotient obtained by dividing:

98.17 (1) the sum of:

98.18 (i) all expenditures for transportation in the regular category, as defined in paragraph  
98.19 (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

98.20 (ii) an amount equal to one year's depreciation on the district's school bus fleet  
98.21 and mobile units computed on a straight line basis at the rate of 15 percent per year for  
98.22 districts operating a program under section 124D.128 for grades 1 to 12 for all students in  
98.23 the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

98.24 (iii) an amount equal to one year's depreciation on the district's type three school  
98.25 buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a  
98.26 majority of the time for pupil transportation purposes, computed on a straight line basis at  
98.27 the rate of 20 percent per year of the cost of the type three school buses by:

98.28 (2) the number of pupils eligible for transportation in the regular category, as defined  
98.29 in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

98.30 (b) "Transportation category" means a category of transportation service provided to  
98.31 pupils as follows:

98.32 (1) Regular transportation is:

98.33 (i) transportation to and from school during the regular school year for resident  
98.34 elementary pupils residing one mile or more from the public or nonpublic school they

99.1 attend, and resident secondary pupils residing two miles or more from the public  
99.2 or nonpublic school they attend, excluding desegregation transportation and noon  
99.3 kindergarten transportation; but with respect to transportation of pupils to and from  
99.4 nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

99.5 (ii) transportation of resident pupils to and from language immersion programs;

99.6 (iii) transportation of a pupil who is a custodial parent and that pupil's child between  
99.7 the pupil's home and the child care provider and between the provider and the school, if  
99.8 the home and provider are within the attendance area of the school;

99.9 (iv) transportation to and from or board and lodging in another district, of resident  
99.10 pupils of a district without a secondary school; and

99.11 (v) transportation to and from school during the regular school year required under  
99.12 subdivision 3 for nonresident elementary pupils when the distance from the attendance  
99.13 area border to the public school is one mile or more, and for nonresident secondary pupils  
99.14 when the distance from the attendance area border to the public school is two miles or  
99.15 more, excluding desegregation transportation and noon kindergarten transportation.

99.16 For the purposes of this paragraph, a district may designate a licensed day care  
99.17 facility, school day care facility, respite care facility, the residence of a relative, or the  
99.18 residence of a person chosen by the pupil's parent or guardian as the home of a pupil for  
99.19 part or all of the day, if requested by the pupil's parent or guardian, and if that facility or  
99.20 residence is within the attendance area of the school the pupil attends.

99.21 (2) Excess transportation is:

99.22 (i) transportation to and from school during the regular school year for resident  
99.23 secondary pupils residing at least one mile but less than two miles from the public or  
99.24 nonpublic school they attend, and transportation to and from school for resident pupils  
99.25 residing less than one mile from school who are transported because of extraordinary  
99.26 traffic, drug, or crime hazards; and

99.27 (ii) transportation to and from school during the regular school year required under  
99.28 subdivision 3 for nonresident secondary pupils when the distance from the attendance area  
99.29 border to the school is at least one mile but less than two miles from the public school  
99.30 they attend, and for nonresident pupils when the distance from the attendance area border  
99.31 to the school is less than one mile from the school and who are transported because of  
99.32 extraordinary traffic, drug, or crime hazards.

99.33 (3) Desegregation transportation is transportation within and outside of the district  
99.34 during the regular school year of pupils to and from schools located outside their normal  
99.35 attendance areas under a plan for desegregation mandated by the commissioner or under  
99.36 court order.

100.1 (4) "Transportation services for pupils with disabilities" is:

100.2 (i) transportation of pupils with disabilities who cannot be transported on a regular  
100.3 school bus between home or a respite care facility and school;

100.4 (ii) necessary transportation of pupils with disabilities from home or from school to  
100.5 other buildings, including centers such as developmental achievement centers, hospitals,  
100.6 and treatment centers where special instruction or services required by sections 125A.03  
100.7 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district  
100.8 where services are provided;

100.9 (iii) necessary transportation for resident pupils with disabilities required by sections  
100.10 125A.12, and 125A.26 to 125A.48;

100.11 (iv) board and lodging for pupils with disabilities in a district maintaining special  
100.12 classes;

100.13 (v) transportation from one educational facility to another within the district for  
100.14 resident pupils enrolled on a shared-time basis in educational programs, and necessary  
100.15 transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils  
100.16 with disabilities who are provided special instruction and services on a shared-time basis  
100.17 or if resident pupils are not transported, the costs of necessary travel between public  
100.18 and private schools or neutral instructional sites by essential personnel employed by the  
100.19 district's program for children with a disability;

100.20 (vi) transportation for resident pupils with disabilities to and from board and lodging  
100.21 facilities when the pupil is boarded and lodged for educational purposes; and

100.22 (vii) services described in clauses (i) to (vi), when provided for pupils with  
100.23 disabilities in conjunction with a summer instructional program that relates to the pupil's  
100.24 individual education plan or in conjunction with a learning year program established  
100.25 under section 124D.128.

100.26 For purposes of computing special education ~~base revenue~~ initial aid under section  
100.27 125A.76, subdivision 2, the cost of providing transportation for children with disabilities  
100.28 includes (A) the additional cost of transporting a homeless student from a temporary  
100.29 nonshelter home in another district to the school of origin, or a formerly homeless student  
100.30 from a permanent home in another district to the school of origin but only through the end  
100.31 of the academic year; and (B) depreciation on district-owned school buses purchased after  
100.32 July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated  
100.33 according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the  
100.34 disabled transportation category must be excluded in calculating the actual expenditure  
100.35 per pupil transported in the regular and excess transportation categories according to  
100.36 paragraph (a).



101.1 (5) "Nonpublic nonregular transportation" is:

101.2 (i) transportation from one educational facility to another within the district for  
101.3 resident pupils enrolled on a shared-time basis in educational programs, excluding  
101.4 transportation for nonpublic pupils with disabilities under clause (4);

101.5 (ii) transportation within district boundaries between a nonpublic school and a  
101.6 public school or a neutral site for nonpublic school pupils who are provided pupil support  
101.7 services pursuant to section 123B.44; and

101.8 (iii) late transportation home from school or between schools within a district for  
101.9 nonpublic school pupils involved in after-school activities.

101.10 (c) "Mobile unit" means a vehicle or trailer designed to provide facilities for  
101.11 educational programs and services, including diagnostic testing, guidance and counseling  
101.12 services, and health services. A mobile unit located off nonpublic school premises is a  
101.13 neutral site as defined in section 123B.41, subdivision 13.

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

101.15 Sec. 2. Minnesota Statutes 2006, section 124D.454, subdivision 2, is amended to read:

101.16 Subd. 2. **Definitions.** For the purposes of this section, the definitions in this  
101.17 subdivision apply.

101.18 (a) ~~"Base year" means the second fiscal year preceding the fiscal year for which~~  
101.19 ~~aid will be paid.~~

101.20 ~~(b)~~ "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

101.21 For the purposes of computing basic revenue pursuant to this section, each child with a  
101.22 disability shall be counted as prescribed in section 126C.05, subdivision 1.

101.23 ~~(c) "Average daily membership" has the meaning given it in section 126C.05.~~

101.24 ~~(d) "Program growth factor" means 1.00 for fiscal year 1998 and later.~~

101.25 ~~(e) "Aid percentage factor" means 100 percent for fiscal year 2000 and later.~~

101.26 ~~(f)~~ (b) "Essential personnel" means a licensed teacher, licensed support services  
101.27 staff person, paraprofessional providing direct services to students, or licensed personnel  
101.28 under subdivision 12. This definition is not intended to change or modify the definition of  
101.29 essential employee in chapter 179A.

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

101.31 Sec. 3. Minnesota Statutes 2006, section 124D.454, subdivision 3, is amended to read:

101.32 Subd. 3. **Base revenue Initial aid.** ~~(a)~~ The transition-disabled program ~~base revenue~~  
101.33 initial aid equals the sum of the following amounts computed using ~~base~~ current year data:

102.1 (1) 68 percent of the salary of each essential licensed person or approved  
102.2 paraprofessional who provides direct instructional services to students employed during  
102.3 that fiscal year for services rendered in that district's transition program for children with a  
102.4 disability;

102.5 (2) 47 percent of the costs of necessary equipment for transition programs for  
102.6 children with a disability;

102.7 (3) 47 percent of the costs of necessary travel between instructional sites by transition  
102.8 program teachers of children with a disability but not including travel to and from local,  
102.9 regional, district, state, or national career and technical student organization meetings;

102.10 (4) 47 percent of the costs of necessary supplies for transition programs for children  
102.11 with a disability but not to exceed an average of \$47 in any one school year for each child  
102.12 with a disability receiving these services;

102.13 (5) for transition programs for children with disabilities provided by a contract  
102.14 approved by the commissioner with public, private, or voluntary agencies other than a  
102.15 Minnesota school district or cooperative center, in place of programs provided by the  
102.16 district, 52 percent of the difference between the amount of the contract and the basic  
102.17 revenue of the district for that pupil for the fraction of the school day the pupil receives  
102.18 services under the contract;

102.19 (6) for transition programs for children with disabilities provided by a contract  
102.20 approved by the commissioner with public, private, or voluntary agencies other than a  
102.21 Minnesota school district or cooperative center, that are supplementary to a full educational  
102.22 program provided by the school district, 52 percent of the amount of the contract; and

102.23 (7) for a contract approved by the commissioner with another Minnesota school  
102.24 district or cooperative center for vocational evaluation services for children with a  
102.25 disability for children that are not yet enrolled in grade 12, 52 percent of the amount  
102.26 of the contract.

102.27 ~~(b) If requested by a school district for transition programs during the base year for~~  
102.28 ~~less than the full school year, the commissioner may adjust the base revenue to reflect~~  
102.29 ~~the expenditures that would have occurred during the base year had the program been~~  
102.30 ~~operated for the full year.~~

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

102.32 Sec. 4. Minnesota Statutes 2006, section 125A.11, subdivision 1, is amended to read:

102.33 Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006,  
102.34 when a school district provides instruction and services outside the district of residence,  
102.35 board and lodging, and any tuition to be paid, shall be paid by the district of residence.

103.1 The tuition rate to be charged for any child with a disability, excluding a pupil for whom  
103.2 tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be  
103.3 the sum of (1) the actual cost of providing special instruction and services to the child  
103.4 including a proportionate amount for special transportation and unreimbursed building  
103.5 lease and debt service costs for facilities used primarily for special education, plus (2)  
103.6 the amount of general education revenue and referendum aid attributable to the pupil,  
103.7 minus (3) the amount of special education aid for children with a disability received  
103.8 on behalf of that child, minus (4) if the pupil receives special instruction and services  
103.9 outside the regular classroom for more than 60 percent of the school day, the amount of  
103.10 general education revenue and referendum aid, excluding portions attributable to district  
103.11 and school administration, district support services, operations and maintenance, capital  
103.12 expenditures, and pupil transportation, attributable to that pupil for the portion of time  
103.13 the pupil receives special instruction and services outside of the regular classroom. If  
103.14 the boards involved do not agree upon the tuition rate, either board may apply to the  
103.15 commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set  
103.16 a date for a hearing or request a written statement from each board, giving each board  
103.17 at least ten days' notice, and after the hearing or review of the written statements the  
103.18 commissioner must make an order fixing the tuition rate, which is binding on both school  
103.19 districts. General education revenue and referendum equalization aid attributable to a  
103.20 pupil must be calculated using the resident district's average general education revenue  
103.21 and referendum ~~revenue~~ equalization aid per adjusted pupil unit.

103.22 (b) For fiscal year 2007 and later, when a school district provides special instruction  
103.23 and services for a pupil with a disability as defined in section 125A.02 outside the district  
103.24 of residence, excluding a pupil for whom an adjustment to special education aid is  
103.25 calculated according to section 127A.47, subdivision 7, paragraph (e), special education  
103.26 aid paid to the resident district must be reduced by an amount equal to (1) the actual  
103.27 cost of providing special instruction and services to the pupil, including a proportionate  
103.28 amount for special transportation and unreimbursed building lease and debt service costs  
103.29 for facilities used primarily for special education, plus (2) the amount of general education  
103.30 revenue and referendum equalization aid attributable to that pupil, calculated using the  
103.31 resident district's average general education revenue and referendum equalization aid  
103.32 per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and  
103.33 secondary sparsity revenue, minus (3) the amount of special education aid for children  
103.34 with a disability received on behalf of that child, minus (4) if the pupil receives special  
103.35 instruction and services outside the regular classroom for more than 60 percent of the  
103.36 school day, the amount of general education revenue and referendum equalization aid,

104.1 excluding portions attributable to district and school administration, district support  
104.2 services, operations and maintenance, capital expenditures, and pupil transportation,  
104.3 attributable to that pupil for the portion of time the pupil receives special instruction and  
104.4 services outside of the regular classroom. ~~General education revenue and referendum aid~~  
104.5 ~~attributable to a pupil must be calculated using the resident district's average general~~  
104.6 ~~education revenue and referendum aid per adjusted pupil unit~~ excluding basic skills  
104.7 revenue, elementary sparsity revenue and secondary sparsity revenue and the serving  
104.8 district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue  
104.9 per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a  
104.10 cooperative unit without a fiscal agent school district, the general education revenue and  
104.11 referendum equalization aid attributable to a pupil must be calculated using the resident  
104.12 district's average general education revenue and referendum equalization aid excluding  
104.13 elementary sparsity revenue and secondary sparsity revenue. Special education aid paid to  
104.14 the district or cooperative providing special instruction and services for the pupil must be  
104.15 increased by the amount of the reduction in the aid paid to the resident district. Amounts  
104.16 paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be  
104.17 recognized and reported as revenues and expenditures on the resident school district's  
104.18 books of account under sections 123B.75 and 123B.76. If the resident district's special  
104.19 education aid is insufficient to make the full adjustment, the remaining adjustment shall be  
104.20 made to other state aid due to the district.

104.21 (c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7,  
104.22 paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students  
104.23 receive special education and related services, a site approved under section 125A.515,  
104.24 an intermediate district, a special education cooperative, or a school district that served  
104.25 as the applicant agency for a group of school districts for federal special education aids  
104.26 for fiscal year 2006 may apply to the commissioner for authority to charge the resident  
104.27 district an additional amount to recover any remaining unreimbursed costs of serving  
104.28 pupils with a disability. The application must include a description of the costs and the  
104.29 calculations used to determine the unreimbursed portion to be charged to the resident  
104.30 district. Amounts approved by the commissioner under this paragraph must be included  
104.31 in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47,  
104.32 subdivision 7, paragraph (d) or (e), as applicable.

104.33 (d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraphs  
104.34 (d) and (e), "general education revenue and referendum equalization aid" means the sum  
104.35 of the general education revenue according to section 126C.10, subdivision 1, excluding  
104.36 alternative teacher compensation revenue, plus the referendum equalization aid according

105.1 to section 126C.17, subdivision 7, as adjusted according to section 127A.47, subdivision  
105.2 7, paragraphs (a) to (c).

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

105.4 Sec. 5. Minnesota Statutes 2006, section 125A.13, is amended to read:

105.5 **125A.13 SCHOOL OF PARENTS' CHOICE.**

105.6 (a) Nothing in this chapter must be construed as preventing parents of a child with a  
105.7 disability from sending the child to a school of their choice, if they so elect, subject to  
105.8 admission standards and policies adopted according to sections 125A.62 to 125A.64 and  
105.9 125A.66 to 125A.73, and all other provisions of chapters 120A to 129C.

105.10 (b) The parent of a student with a disability not yet enrolled in kindergarten and not  
105.11 open enrolled in a nonresident district may request that the resident district enter into a  
105.12 tuition agreement with the nonresident district if:

105.13 (1) the child is enrolled in a Head Start program or a licensed child care setting in  
105.14 the nonresident district; and

105.15 (2) the child can be served in the same setting as other children in the nonresident  
105.16 district with the same level of disability.

105.17 Sec. 6. Minnesota Statutes 2006, section 125A.14, is amended to read:

105.18 **125A.14 ~~SUMMER PROGRAMS~~ EXTENDED SCHOOL YEAR.**

105.19 A district may provide ~~summer programs~~ extended school year services for children  
105.20 with a disability living within the district and nonresident children temporarily placed in  
105.21 the district pursuant to section 125A.15 or 125A.16. Prior to March 31 or 30 days after the  
105.22 child with a disability is placed in the district, whichever is later, the providing district  
105.23 shall give notice to the district of residence of any nonresident children temporarily placed  
105.24 in the district pursuant to section 125A.15 or 125A.16, of its intention to provide these  
105.25 programs. Notwithstanding any contrary provisions in sections 125A.15 and 125A.16, the  
105.26 district providing the special instruction and services must apply for special education  
105.27 aid for the ~~summer program~~ extended school year services. The unreimbursed actual cost  
105.28 of providing the program for nonresident children with a disability, including the cost of  
105.29 board and lodging, may be billed to the district of the child's residence and must be paid  
105.30 by the resident district. Transportation costs must be paid by the district responsible  
105.31 for providing transportation pursuant to section 125A.15 or 125A.16 and transportation  
105.32 aid must be paid to that district.

106.1 Sec. 7. Minnesota Statutes 2006, section 125A.63, is amended by adding a subdivision  
106.2 to read:

106.3 Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a)

106.4 The coordinator shall:

106.5 (1) collaborate with the early hearing detection and intervention coordinator for the  
106.6 Department of Health, the director of the Department of Education Resource Center for  
106.7 Deaf and Hard-of-Hearing, and the Department of Health Early Hearing Detection and  
106.8 Intervention Advisory Council;

106.9 (2) coordinate and support Department of Education early hearing detection and  
106.10 intervention teams;

106.11 (3) leverage resources by serving as a liaison between interagency early intervention  
106.12 committees; part C coordinators from the Departments of Education, Health, and  
106.13 Human Services; Department of Education regional low-incidence facilitators; service  
106.14 coordinators from school districts; Minnesota children with special health needs in the  
106.15 Department of Health; public health nurses; child find; Department of Human Services  
106.16 Deaf and Hard-of-Hearing Services Division; and others as appropriate;

106.17 (4) identify, support, and promote culturally appropriate and evidence-based early  
106.18 intervention practices for infants with hearing loss, and provide training, outreach, and use  
106.19 of technology to increase consistency in statewide service provision;

106.20 (5) identify culturally appropriate specialized reliable and valid instruments to assess  
106.21 and track the progress of children with hearing loss and promote their use;

106.22 (6) ensure that early childhood providers, parents, and members of the individual  
106.23 family service and intervention plan are provided with child progress data resulting from  
106.24 specialized assessments;

106.25 (7) educate early childhood providers and teachers of the deaf and hard-of-hearing  
106.26 to use developmental data from specialized assessments to plan and adjust individual  
106.27 family service plans; and

106.28 (8) make recommendations that would improve educational outcomes to the early  
106.29 hearing detection and intervention committee, the commissioners of education and health,  
106.30 the Minnesota Commission Serving Deaf and Hard-of-Hearing People, and the advisory  
106.31 council of the Minnesota Department of Education Resource Center for the Deaf and  
106.32 Hard-of-Hearing.

106.33 (b) The Department of Education must provide aggregate data regarding outcomes  
106.34 of deaf and hard-of-hearing children who receive early intervention services within the  
106.35 state in accordance with the state performance plan.

107.1 Sec. 8. Minnesota Statutes 2006, section 125A.75, subdivision 1, is amended to read:

107.2 Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum  
107.3 actually expended by a district, based on mileage, for necessary travel of essential  
107.4 personnel providing home-based or community-based services to children with a disability  
107.5 under age five and their families.

107.6 Sec. 9. Minnesota Statutes 2006, section 125A.75, subdivision 4, is amended to read:

107.7 Subd. 4. **Program and aid approval.** Before June 1 of each year, each district  
107.8 providing special instruction and services to children with a disability, including children  
107.9 eligible for Part C, as defined in sections 125A.02, subdivision 1, and 125A.27, subdivision  
107.10 8, must submit to the commissioner an application for approval of these programs and their  
107.11 budgets for the next fiscal year. The application must include an enumeration of the costs  
107.12 proposed as eligible for state aid pursuant to this section and of the estimated number and  
107.13 grade level of children with a disability in the district who will receive special instruction  
107.14 and services ~~during the regular school year and in summer school programs~~ during  
107.15 the next fiscal year. The application must also include any other information deemed  
107.16 necessary by the commissioner for the calculation of state aid and for the evaluation of the  
107.17 necessity of the program, the necessity of the personnel to be employed in the program,  
107.18 for determining the amount which the program will receive from grants from federal  
107.19 funds, or special grants from other state sources, and the program's compliance with the  
107.20 rules and standards of the Department of Education. The commissioner shall review each  
107.21 application to determine whether the program and the personnel to be employed in the  
107.22 program are actually necessary and essential to meet the district's obligation to provide  
107.23 special instruction and services to children with a disability pursuant to sections 125A.03  
107.24 to 125A.24, 125A.259 to 125A.48, and 125A.65. The commissioner shall not approve aid  
107.25 pursuant to this section for any program or for the salary of any personnel determined to  
107.26 be unnecessary or unessential on the basis of this review. The commissioner may withhold  
107.27 all or any portion of the aid for programs which receive grants from federal funds, or  
107.28 special grants from other state sources. By August 31 the commissioner shall approve,  
107.29 disapprove, or modify each application, and notify each applying district of the action  
107.30 and of the estimated amount of aid for the programs. The commissioner shall provide  
107.31 procedures for districts to submit additional applications for program and budget approval  
107.32 during the fiscal year, for programs needed to meet any substantial changes in the needs  
107.33 of children with a disability in the district. Notwithstanding the provisions of section  
107.34 127A.42, the commissioner may modify or withdraw the program or aid approval and  
107.35 withhold aid pursuant to this section without proceeding according to section 127A.42

108.1 at any time the commissioner determines that the program does not comply with rules  
108.2 of the Department of Education or that any facts concerning the program or its budget  
108.3 differ from the facts in the district's approved application.

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

108.5 Sec. 10. Minnesota Statutes 2006, section 125A.76, subdivision 1, is amended to read:

108.6 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
108.7 subdivision apply.

108.8 (a) ~~"Base year" for fiscal year 1998 and later fiscal years means the second fiscal~~  
108.9 ~~year preceding the fiscal year for which aid will be paid.~~

108.10 (b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2.

108.11 For the purposes of computing basic revenue pursuant to this section, each child with a  
108.12 disability shall be counted as prescribed in section 126C.05, subdivision 1.

108.13 (c) "Essential personnel" means teachers, cultural liaisons, related services, and  
108.14 support services staff providing direct services to students. Essential personnel may also  
108.15 include special education paraprofessionals or clericals providing support to teachers and  
108.16 students by preparing paperwork and making arrangements related to special education  
108.17 compliance requirements, including parent meetings and individual education plans.

108.18 (d) "Average daily membership" has the meaning given it in section 126C.05.

108.19 (e) "Program growth factor" means 1.046 for fiscal year 2003, and 1.0 for fiscal  
108.20 year 2004 and later.

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

108.22 Sec. 11. Minnesota Statutes 2006, section 125A.76, subdivision 2, is amended to read:

108.23 Subd. 2. **Special education ~~base revenue~~ initial aid.** (a) The special education  
108.24 ~~base revenue~~ initial aid equals the sum of the following amounts computed using ~~base~~  
108.25 current year data:

108.26 (1) 68 percent of the salary of each essential person employed in the district's  
108.27 program for children with a disability during the fiscal year, whether the person is  
108.28 employed by one or more districts or a Minnesota correctional facility operating on a  
108.29 fee-for-service basis;

108.30 (2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy  
108.31 for the Blind, 68 percent of the salary of each instructional aide assigned to a child  
108.32 attending the academy, if that aide is required by the child's individual education plan;



(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and ~~the amount of the basic revenue, as defined in section 126C.10, subdivision 2, special education aid, and any other aid earned on behalf of the child~~ the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

~~(6) for fiscal years 1997 and later,~~ special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year; ~~and~~

~~(7) for fiscal years 1999 and later,~~ the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4).

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts; and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

~~(b) If requested by a school district operating a special education program during the base year for less than the full fiscal year, or a school district in which is located a~~

110.1 ~~Minnesota correctional facility operating on a fee-for-service basis for less than the full~~  
 110.2 ~~fiscal year, the commissioner may adjust the base revenue to reflect the expenditures~~  
 110.3 ~~that would have occurred during the base year had the program been operated for the~~  
 110.4 ~~full fiscal year.~~

110.5 ~~(c) Notwithstanding paragraphs (a) and (b), the portion of a school district's base~~  
 110.6 ~~revenue attributable to a Minnesota correctional facility operating on a fee-for-service~~  
 110.7 ~~basis during the facility's first year of operating on a fee-for-service basis shall be~~  
 110.8 ~~computed using current year data.~~

110.9 Sec. 12. Minnesota Statutes 2006, section 125A.76, subdivision 4, is amended to read:

110.10 Subd. 4. **State total special education aid.** ~~The state total special education aid~~  
 110.11 ~~for fiscal year 2004 equals \$530,642,000. The state total special education aid for fiscal~~  
 110.12 ~~year 2005 equals \$529,164,000~~ \$572,297,000 for fiscal year 2008, \$573,122,000 for fiscal  
 110.13 year 2009, \$574,696,000 for fiscal year 2010, and \$576,653,000 for fiscal year 2011. The  
 110.14 state total special education aid for later fiscal years equals:

110.15 (1) the state total special education aid for the preceding fiscal year; times  
 110.16 (2) the program growth factor; times  
 110.17 (3) the greater of one, or the ratio of the state total average daily membership for the  
 110.18 current fiscal year to the state total average daily membership for the preceding fiscal year.

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

110.20 Sec. 13. Minnesota Statutes 2006, section 125A.76, subdivision 5, is amended to read:

110.21 Subd. 5. **School district special education aid.** ~~(a) A school district's special~~  
 110.22 ~~education aid for fiscal year 2000~~ 2008 and later equals the state total special education  
 110.23 ~~aid, minus the amount determined under paragraphs (b) and (c), times the ratio of the~~  
 110.24 ~~district's adjusted initial special education base revenue aid to the state total adjusted~~  
 110.25 initial special education base revenue aid. ~~If the commissioner of education modifies~~  
 110.26 ~~its rules for special education in a manner that increases a district's special education~~  
 110.27 ~~obligations or service requirements, the commissioner shall annually increase each~~  
 110.28 ~~district's special education aid by the amount necessary to compensate for the increased~~  
 110.29 ~~service requirements. The additional aid equals the cost in the current year attributable to~~  
 110.30 ~~rule changes not reflected in the computation of special education base revenue, multiplied~~  
 110.31 ~~by the appropriate percentages from subdivision 2.~~

110.32 ~~(b) Notwithstanding paragraph (a), if the special education base revenue for a~~  
 110.33 ~~district equals zero, the special education aid equals the amount computed according~~  
 110.34 ~~to subdivision 2 using current year data.~~

111.1 ~~(c) Notwithstanding paragraphs (a) and (b), if the special education base revenue for~~  
111.2 ~~a district is greater than zero, and the base year amount for the district under subdivision~~  
111.3 ~~2, paragraph (a), clause (7), equals zero, the special education aid equals the sum of the~~  
111.4 ~~amount computed according to paragraph (a), plus the amount computed according to~~  
111.5 ~~subdivision 2, paragraph (a), clause (7), using current year data.~~

111.6 ~~(d) A charter school under section 124D.10 shall generate state special education~~  
111.7 ~~aid based on current year expenditures for its first four years of operation and only in its~~  
111.8 ~~fifth and later years shall paragraphs (a), (b), and (c) apply.~~

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

111.10 Sec. 14. Minnesota Statutes 2006, section 125A.76, is amended by adding a  
111.11 subdivision to read:

111.12 **Subd. 8. Special education forecast maintenance of effort.** (a) If, on the basis of  
111.13 a forecast of general fund revenues and expenditures under section 16A.103, the state's  
111.14 expenditures for special education and related services for children with disabilities  
111.15 from nonfederal sources for a fiscal year, including special education aid under section  
111.16 125A.76; special education excess cost aid under section 125A.76, subdivision 7; travel  
111.17 for home-based services under section 125A.75, subdivision 1; aid for students with  
111.18 disabilities under section 125A.75, subdivision 3; court-placed special education under  
111.19 section 125A.79, subdivision 4; out-of-state tuition under section 125A.79, subdivision 8;  
111.20 and direct expenditures by state agencies are projected to be less than the amount required  
111.21 to meet federal special education maintenance of effort, the additional amount required  
111.22 to meet federal special education maintenance of effort is added to the state total special  
111.23 education aid in section 125A.76, subdivision 4.

111.24 (b) If, on the basis of a forecast of general fund revenues and expenditures under  
111.25 section 16A.103, expenditures in the programs in paragraph (a) are projected to be greater  
111.26 than previously forecast for an enacted budget, and an addition to state total special  
111.27 education aid has been made under paragraph (a), the state total special education aid  
111.28 must be reduced by the lesser of the amount of the expenditure increase or the amount  
111.29 previously added to state total special education aid in section 125A.76, subdivision 4.

111.30 (c) For the purpose of this section, "previously forecast for an enacted budget" means  
111.31 the allocation of funding for these programs in the most recent forecast of general fund  
111.32 revenues and expenditures or the act appropriating money for these programs, whichever  
111.33 occurred most recently. It does not include planning estimates for a future biennium.

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

112.1 Sec. 15. Minnesota Statutes 2006, section 125A.79, subdivision 1, is amended to read:

112.2 Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this  
112.3 subdivision apply.

112.4 (a) "Unreimbursed special education cost" means the sum of the following:

112.5 (1) expenditures for teachers' salaries, contracted services, supplies, equipment, and  
112.6 transportation services eligible for revenue under section 125A.76; plus

112.7 (2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and  
112.8 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

112.9 (3) revenue for teachers' salaries, contracted services, supplies, ~~and equipment, and~~  
112.10 transportation services under section 125A.76; minus

112.11 (4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services  
112.12 eligible for revenue under section 125A.76, subdivision 2.

112.13 (b) "General revenue" means the sum of the general education revenue according to  
112.14 section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, plus  
112.15 the total qualifying referendum revenue specified in paragraph (e) minus transportation  
112.16 sparsity revenue minus total operating capital revenue.

112.17 (c) "Average daily membership" has the meaning given it in section 126C.05.

112.18 (d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal  
112.19 year 2004 and later.

112.20 (e) "Total qualifying referendum revenue" means two-thirds of the district's total  
112.21 referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs  
112.22 (a) to (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal  
112.23 year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

112.24 Sec. 16. Minnesota Statutes 2006, section 125A.79, subdivision 5, is amended to read:

112.25 Subd. 5. **Initial excess cost aid.** For fiscal years ~~2002~~ 2008 and later, a district's  
112.26 initial excess cost aid equals the ~~greatest~~ greater of:

112.27 (1) 75 percent of the difference between (i) the district's unreimbursed special  
112.28 education cost and (ii) 4.36 percent of the district's general revenue; or

112.29 ~~(2) 70 percent of the difference between (i) the increase in the district's unreimbursed~~  
112.30 ~~special education cost between the base year as defined in section 125A.76, subdivision 1,~~  
112.31 ~~and the current year and (ii) 1.6 percent of the district's general revenue; or~~

112.32 ~~(3) zero.~~

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

112.34 Sec. 17. Minnesota Statutes 2006, section 125A.79, subdivision 6, is amended to read:

113.1 Subd. 6. **State total special education excess cost aid.** The state total special  
 113.2 education excess cost aid ~~for fiscal year 2005 equals \$91,811,000~~ \$128,341,000 for fiscal  
 113.3 year 2008, \$129,523,000 for fiscal year 2009, \$129,801,000 for fiscal year 2010, and  
 113.4 \$130,193,000 for fiscal year 2011. ~~The state total special education excess cost aid equals~~  
 113.5 ~~\$103,600,000 for fiscal year 2006 and \$104,700,000 for fiscal year 2007.~~ The state total  
 113.6 special education excess cost aid for ~~fiscal year 2008 and~~ later fiscal years equals:

113.7 (1) the state total special education excess cost aid for the preceding fiscal year; times

113.8 (2) the program growth factor; times

113.9 (3) the greater of one, or the ratio of the state total average daily membership for the  
 113.10 current fiscal year to the state total average daily membership for the preceding fiscal year.

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

113.12 Sec. 18. Minnesota Statutes 2006, section 125A.79, subdivision 8, is amended to read:

113.13 Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive  
 113.14 services under section 125A.76, subdivisions 1 and 2, and are placed in a care and  
 113.15 treatment facility by court action in a state that does not have a reciprocity agreement  
 113.16 with the commissioner under section 125A.155, the resident school district shall submit  
 113.17 the balance of the tuition bills, minus the ~~amount of the basic revenue, as defined~~  
 113.18 ~~by section 126C.10, subdivision 2, of the district for the child and general education~~  
 113.19 revenue, excluding basic skills revenue and alternative teacher compensation revenue, and  
 113.20 referendum equalization aid attributable to the pupil, calculated using the resident district's  
 113.21 average general education revenue and referendum equalization aid per adjusted pupil unit  
 113.22 minus the special education aid, and any other aid earned on behalf of the child contracted  
 113.23 services initial aid attributable to the pupil.

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

113.25 Sec. 19. Minnesota Statutes 2006, section 127A.47, subdivision 7, is amended to read:

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

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

114.1 (b) General education aid paid to a district serving a pupil in programs listed in this  
114.2 subdivision must be increased by an amount equal to the referendum equalization aid  
114.3 attributable to the pupil in the nonresident district.

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

114.7 (d) For fiscal year 2006, the district of residence must pay tuition to a district or an  
114.8 area learning center, operated according to paragraph (f), providing special instruction and  
114.9 services to a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in  
114.10 section 125A.51, who is enrolled in a program listed in this subdivision. The tuition must  
114.11 be equal to (1) the actual cost of providing special instruction and services to the pupil,  
114.12 including a proportionate amount for special transportation and unreimbursed building  
114.13 lease and debt service costs for facilities used primarily for special education, minus (2) if  
114.14 the pupil receives special instruction and services outside the regular classroom for more  
114.15 than 60 percent of the school day, the amount of general education revenue and referendum  
114.16 equalization aid attributable to that pupil for the portion of time the pupil receives special  
114.17 instruction and services outside of the regular classroom, excluding portions attributable to  
114.18 district and school administration, district support services, operations and maintenance,  
114.19 capital expenditures, and pupil transportation, minus (3) special education aid attributable  
114.20 to that pupil, that is received by the district providing special instruction and services.  
114.21 For purposes of this paragraph, general education revenue and referendum equalization  
114.22 aid attributable to a pupil must be calculated using the serving district's average general  
114.23 education revenue and referendum equalization aid per adjusted pupil unit.

114.24 (e) For fiscal year 2007 and later, special education aid paid to a resident district  
114.25 must be reduced by an amount equal to (1) the actual cost of providing special instruction  
114.26 and services, including special transportation and unreimbursed building lease and debt  
114.27 service costs for facilities used primarily for special education, for a pupil with a disability,  
114.28 as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled  
114.29 in a program listed in this subdivision, minus (2) if the pupil receives special instruction  
114.30 and services outside the regular classroom for more than 60 percent of the school day,  
114.31 the amount of general education revenue and referendum equalization aid attributable  
114.32 to that pupil for the portion of time the pupil receives special instruction and services  
114.33 outside of the regular classroom, excluding portions attributable to district and school  
114.34 administration, district support services, operations and maintenance, capital expenditures,  
114.35 and pupil transportation, minus (3) special education aid attributable to that pupil, that is  
114.36 received by the district providing special instruction and services. For purposes of this

115.1 paragraph, general education revenue and referendum equalization aid attributable to a  
115.2 pupil must be calculated using the serving district's average general education revenue  
115.3 and referendum equalization aid per adjusted pupil unit. Special education aid paid to the  
115.4 district or cooperative providing special instruction and services for the pupil, or to the  
115.5 fiscal agent district for a cooperative, must be increased by the amount of the reduction  
115.6 in the aid paid to the resident district. If the resident district's special education aid is  
115.7 insufficient to make the full adjustment, the remaining adjustment shall be made to other  
115.8 state aids due to the district.

115.9 (f) An area learning center operated by a service cooperative, intermediate district,  
115.10 education district, or a joint powers cooperative may elect through the action of the  
115.11 constituent boards to charge the resident district tuition for pupils rather than to have the  
115.12 general education revenue paid to a fiscal agent school district. Except as provided in  
115.13 paragraph (d) or (e), the district of residence must pay tuition equal to at least 90 percent  
115.14 of the district average general education revenue per pupil unit minus an amount equal to  
115.15 the product of the formula allowance according to section 126C.10, subdivision 2, times  
115.16 .0485, calculated without basic skills revenue and transportation sparsity revenue, times  
115.17 the number of pupil units for pupils attending the area learning center, plus the amount of  
115.18 compensatory revenue generated by pupils attending the area learning center.

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

115.20 Sec. 20. Laws 2006, chapter 263, article 3, section 15, is amended to read:

115.21 Sec. 15. **SPECIAL EDUCATION TUITION BILLING FOR FISCAL YEARS**  
115.22 **2006 ~~AND~~, 2007, AND 2008.**

115.23 (a) Notwithstanding Minnesota Statutes, sections 125A.11, subdivision 1, paragraph  
115.24 (a), and 127A.47, subdivision 7, paragraph (d), for fiscal year 2006 an intermediate  
115.25 district, special education cooperative, or school district that served as an applicant  
115.26 agency for a group of school districts for federal special education aids for fiscal year  
115.27 2006 is not subject to the uniform special education tuition billing calculations, but may  
115.28 instead continue to bill the resident school districts for the actual unreimbursed costs  
115.29 of serving pupils with a disability as determined by the intermediate district, special  
115.30 education cooperative, or school district.

115.31 (b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph  
115.32 (c), for fiscal year 2007 only, an ~~applicant district~~ agency exempted from the uniform  
115.33 special education tuition billing calculations for fiscal year 2006 under paragraph (a)  
115.34 may apply to the commissioner for a waiver ~~an exemption~~ from the uniform special  
115.35 education tuition calculations and aid adjustments under Minnesota Statutes, sections

116.1 125A.11, subdivision 1, paragraph (b), and 127A.47, subdivision 7, paragraph (e). The  
116.2 commissioner must grant the ~~waiver~~ exemption within 30 days of receiving the following  
116.3 information from the intermediate district, special education cooperative, or school district:

116.4 (1) a detailed description of the applicant district's methodology for calculating  
116.5 special education tuition for fiscal years 2006 and 2007, as required by the applicant  
116.6 district to recover the full cost of serving pupils with a disability;

116.7 (2) sufficient data to determine the total amount of special education tuition actually  
116.8 charged for each student with a disability, as required by the applicant district to recover  
116.9 the full cost of serving pupils with a disability in fiscal year 2006; and

116.10 (3) sufficient data to determine the amount that would have been charged for each  
116.11 student for fiscal year 2006 using the uniform tuition billing methodology according  
116.12 to Minnesota Statutes, sections 125A.11, subdivision 1, or 127A.47, subdivision 7,  
116.13 as applicable.

116.14 (c) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph  
116.15 (c), for fiscal year 2008 only, an agency granted an exemption from the uniform special  
116.16 education tuition billing calculations and aid adjustments for fiscal year 2007 under  
116.17 paragraph (b) may apply to the commissioner for a one-year extension of the exemption  
116.18 granted under paragraph (b). The commissioner must grant the extension within 30 days  
116.19 of receiving the request.

116.20 (d) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraphs  
116.21 (a) and (b), and section 127A.47, subdivision 7, paragraphs (d) and (e), for fiscal year 2007  
116.22 only, a school district or charter school not eligible for a waiver under Minnesota Statutes,  
116.23 section 125A.11, subdivision 1, paragraph (d), may apply to the commissioner for authority  
116.24 to charge the resident district an additional amount to recover any remaining unreimbursed  
116.25 costs of serving pupils with a disability. The application must include a description of the  
116.26 costs and the calculations used to determine the unreimbursed portion to be charged to the  
116.27 resident district. Amounts approved by the commissioner under this paragraph must be  
116.28 included in the tuition billings or aid adjustments under paragraph (a) or (b), or Minnesota  
116.29 Statutes, section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

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

116.31 Sec. 21. **TASK FORCE TO COMPARE FEDERAL AND STATE SPECIAL**  
116.32 **EDUCATION REQUIREMENTS.**

116.33 Subdivision 1. **Establishment; duties.** A task force is established to recommend  
116.34 which state laws and rules that exceed or expand upon minimum federal special education  
116.35 requirements for providing special education programs and services to eligible students



117.1 should be amended to conform with minimum federal requirements. The commissioner  
117.2 of the Bureau of Mediation Services under Minnesota Statutes, section 179.02, after  
117.3 consulting with interested stakeholders, shall appoint a ten-member task force composed  
117.4 of equal numbers of providers, advocates, regulators, consumers of special education  
117.5 services, lawyers who practice in the field of special education and represent either parents  
117.6 or school districts, special education teachers, and school officials. The commissioner must  
117.7 convene the task force by August 1, 2007, which shall meet regularly and shall review the  
117.8 January 25, 2006, report prepared by the Minnesota Department of Education Office of  
117.9 Compliance and Assistance and other relevant studies and resources analyzing differences  
117.10 between federal and state special education requirements. The terms and compensation of  
117.11 task force members are governed by Minnesota Statutes, section 15.059, subdivision 6.

117.12 Subd. 2. **Report.** The task force must submit to the education policy and finance  
117.13 committees of the legislature by February 15, 2008, a report that identifies and clearly  
117.14 and concisely explains each provision in state law or rule that exceeds or expands upon  
117.15 a minimum federal requirement contained in law or regulation for providing special  
117.16 education programs and services to eligible students. The report also must recommend  
117.17 which state provisions that exceed or expand upon a minimum federal requirement may  
117.18 be amended to conform with minimum federal requirements. The task force expires  
117.19 when it submits its report to the legislature.

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

117.21 Sec. 22. **APPROPRIATIONS.**

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

117.25 Subd. 2. **Special education; regular.** For special education aid under Minnesota  
117.26 Statutes, section 125A.75:

117.27 \$ 568,034,000 ..... 2008

117.28 \$ 573,040,000 ..... 2009

117.29 The 2008 appropriation includes \$52,965,000 for 2007 and \$515,069,000 for 2008.

117.30 The 2009 appropriation includes \$57,228,000 for 2008 and \$515,812,000 for 2009.

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

118.1           \$        1,538,000     .....   2008

118.2           \$        1,729,000     .....   2009

118.3           If the appropriation for either year is insufficient, the appropriation for the other  
118.4 year is available.

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

118.7           \$        254,000     .....   2008

118.8           \$        284,000     .....   2009

118.9           The 2008 appropriation includes \$22,000 for 2007 and \$232,000 for 2008.

118.10          The 2009 appropriation includes \$26,000 for 2008 and \$258,000 for 2009.

118.11          Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota  
118.12 Statutes, section 125A.79, subdivision 7:

118.13          \$        120,445,000     .....   2008

118.14          \$        129,128,000     .....   2009

118.15          The 2008 appropriation includes \$34,969,000 for 2007 and \$85,476,000 for 2008.

118.16          The 2009 appropriation includes \$42,865,000 for 2008 and \$86,263,000 for 2009.

118.17          Subd. 6. **Transition for disabled students.** For aid for transition programs for  
118.18 children with disabilities under Minnesota Statutes, section 124D.454:

118.19          \$        879,000     .....   2008

118.20          The 2008 appropriation includes \$879,000 for 2007 and \$0 for 2008.

118.21          Subd. 7. **Court-placed special education revenue.** For reimbursing serving  
118.22 school districts for unreimbursed eligible expenditures attributable to children placed in  
118.23 the serving school district by court action under Minnesota Statutes, section 125A.79,  
118.24 subdivision 4:

118.25          \$        72,000     .....   2008

118.26          \$        74,000     .....   2009

118.27          Subd. 8. **Special education out-of-state tuition.** For special education out-of-state  
118.28 tuition according to Minnesota Statutes, section 125A.79, subdivision 8:

118.29          \$        250,000     .....   2008

118.30          \$        250,000     .....   2009



120.1 (d) For purposes of this section, the adjusted net tax capacity determined according  
 120.2 to section 127A.48 shall be adjusted to include a portion of the tax capacity of property  
 120.3 generally exempted from ad valorem taxes under section 272.02, subdivisions 64 and  
 120.4 65, equal to the product of that tax capacity times the ratio of the eligible debt service  
 120.5 revenue attributed to general obligation bonds to the total eligible debt service revenue  
 120.6 of the district.

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

120.8 Sec. 2. Minnesota Statutes 2006, section 123B.53, subdivision 4, is amended to read:

120.9 Subd. 4. **Debt service equalization revenue.** ~~(a) The debt service equalization~~  
 120.10 ~~revenue of a district equals the sum of the first tier debt service equalization revenue and~~  
 120.11 ~~the second tier debt service equalization revenue.~~

120.12 ~~(b) The first tier debt service equalization revenue of a district equals the greater of~~  
 120.13 ~~zero or the eligible debt service revenue minus the amount raised by a levy of 15 percent~~  
 120.14 ~~times the adjusted debt service net tax capacity of the district minus the second tier debt~~  
 120.15 ~~service equalization revenue of the district.~~

120.16 ~~(c) The second tier debt service equalization revenue of a district equals the greater~~  
 120.17 ~~of zero or the eligible debt service revenue, excluding alternative facilities levies under~~  
 120.18 ~~section 123B.59, subdivision 5, minus the amount raised by a levy of 25 percent times the~~  
 120.19 ~~adjusted net tax capacity of the district.~~

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

120.21 Sec. 3. Minnesota Statutes 2006, section 123B.53, subdivision 5, is amended to read:

120.22 Subd. 5. **Equalized debt service levy.** ~~(a) The equalized debt service levy of a~~  
 120.23 ~~district equals the sum of the first tier equalized debt service levy and the second tier~~  
 120.24 ~~equalized debt service levy.~~

120.25 ~~(b) A district's first tier equalized debt service levy equals the district's first tier debt~~  
 120.26 ~~service equalization revenue times the lesser of one or the ratio of:~~

120.27 (1) the quotient derived by dividing the adjusted debt service net tax capacity of the  
 120.28 district for the year before the year the levy is certified by the adjusted pupil units in the  
 120.29 district for the school year ending in the year prior to the year the levy is certified; to

120.30 (2) ~~\$3,200~~ 100 percent of the statewide adjusted net tax capacity equalizing factor.

120.31 ~~(c) A district's second tier equalized debt service levy equals the district's second tier~~  
 120.32 ~~debt service equalization revenue times the lesser of one or the ratio of:~~

121.1 ~~(1) the quotient derived by dividing the adjusted net tax capacity of the district for~~  
121.2 ~~the year before the year the levy is certified by the adjusted pupil units in the district for~~  
121.3 ~~the school year ending in the year prior to the year the levy is certified; to~~  
121.4 ~~(2) \$8,000.~~

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

121.6 Sec. 4. Minnesota Statutes 2006, section 123B.54, is amended to read:

121.7 **123B.54 DEBT SERVICE AND SCHOOL BOND AGRICULTURAL CREDIT**  
121.8 **APPROPRIATION.**

121.9 (a) ~~\$21,624,000~~ \$14,813,000 in fiscal year 2008 ~~and \$20,403,000, \$26,100,000 in~~  
121.10 fiscal year 2009, \$29,816,000 in fiscal year 2010, and \$30,538,000 in fiscal year 2011 and  
121.11 later are appropriated from the general fund to the commissioner of education for payment  
121.12 of debt service equalization aid under section 123B.53.

121.13 (b) \$10,000,000 in fiscal year 2009, \$10,475,000 in fiscal year 2010, and  
121.14 \$10,948,000 in fiscal year 2011 and each year thereafter are appropriated from the general  
121.15 fund to the commissioner of education for payment of school bond agricultural credit aid  
121.16 under section 123B.555.

121.17 ~~(b)~~ (c) The appropriations in ~~paragraph~~ paragraphs (a) and (b) must be reduced by  
121.18 the amount of any money specifically appropriated for the same purpose in any year  
121.19 from any state fund.

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

121.21 Sec. 5. **[123B.555] SCHOOL BOND AGRICULTURAL CREDIT.**

121.22 Subdivision 1. **Eligibility.** All class 2 property under section 273.13, subdivision 23,  
121.23 except for (1) property consisting of the house, garage, and immediately surrounding one  
121.24 acre of land of an agricultural homestead, and (2) property classified under section 273.13,  
121.25 subdivision 23, paragraph (b), clause (4), is eligible to receive the credit under this section.

121.26 Subd. 2. **Credit amount.** For each qualifying property, the school bond agricultural  
121.27 credit is equal to 20 percent of the property's eligible net tax capacity multiplied by the  
121.28 school debt tax rate determined under section 275.08, subdivision 1b.

121.29 Subd. 3. **Credit reimbursements.** The county auditor shall determine the tax  
121.30 reductions allowed under this section within the county for each taxes payable year and  
121.31 shall certify that amount to the commissioner of revenue as a part of the abstracts of tax  
121.32 lists submitted under section 275.29. Any prior year adjustments shall also be certified on  
121.33 the abstracts of tax lists. The commissioner shall review the certifications for accuracy,

122.1 and may make such changes as are deemed necessary, or return the certification to the  
122.2 county auditor for correction. The credit under this section must be used to reduce the  
122.3 school district net tax capacity-based property tax as provided in section 273.1393.

122.4 Subd. 4. **Payment.** The commissioner of revenue shall certify the total of the tax  
122.5 reductions granted under this section for each taxes payable year within each school  
122.6 district to the commissioner of education, who shall pay the reimbursement amounts to  
122.7 each school district as provided in section 273.1392.

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

122.9 Sec. 6. Minnesota Statutes 2006, section 123B.57, subdivision 3, is amended to read:

122.10 Subd. 3. **Health and safety revenue.** A district's health and safety revenue  
122.11 for a fiscal year equals the district's alternative facilities levy under section 123B.59,  
122.12 subdivision 5, paragraph (b), plus the greater of zero or:

122.13 (1) the sum of (a) the total approved cost of the district's hazardous substance  
122.14 plan for fiscal years 1985 through 1989, plus (b) the total approved cost of the district's  
122.15 health and safety program for fiscal year 1990 through the fiscal year to which the levy  
122.16 is attributable, excluding expenditures funded with bonds issued under section 123B.59  
122.17 or 123B.62, or chapter 475; certificates of indebtedness or capital notes under section  
122.18 123B.61; levies under section 123B.58, 123B.59, 123B.63, or 126C.40, subdivision 1 or  
122.19 6; and other federal, state, or local revenues, minus

122.20 (2) the sum of (a) the district's total hazardous substance aid and levy for fiscal years  
122.21 1985 through 1989 under sections 124.245 and 275.125, subdivision 11c, plus (b) the  
122.22 district's health and safety revenue under this subdivision, for years before the fiscal year  
122.23 to which the levy is attributable.

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

122.25 Sec. 7. Minnesota Statutes 2006, section 123B.63, subdivision 3, is amended to read:

122.26 Subd. 3. **Capital project levy referendum.** A district may levy the local tax  
122.27 rate approved by a majority of the electors voting on the question to provide funds for  
122.28 an approved project. The election must take place no more than five years before the  
122.29 estimated date of commencement of the project. The referendum must be held on a date  
122.30 set by the board. A referendum for a project not receiving a positive review and comment  
122.31 by the commissioner under section 123B.71 must be approved by at least 60 percent of the  
122.32 voters at the election. The referendum may be called by the school board and may be held:

123.1 (1) separately, before an election for the issuance of obligations for the project  
123.2 under chapter 475; or

123.3 (2) in conjunction with an election for the issuance of obligations for the project  
123.4 under chapter 475; or

123.5 (3) notwithstanding section 475.59, as a conjunctive question authorizing both the  
123.6 capital project levy and the issuance of obligations for the project under chapter 475. Any  
123.7 obligations authorized for a project may be issued within five years of the date of the  
123.8 election.

123.9 The ballot must provide a general description of the proposed project, state the  
123.10 estimated total cost of the project, state whether the project has received a positive or  
123.11 negative review and comment from the commissioner, state the maximum amount of the  
123.12 capital project levy as a percentage of net tax capacity, state the amount that will be raised  
123.13 by that local tax rate in the first year it is to be levied, and state the maximum number of  
123.14 years that the levy authorization will apply.

123.15 The ballot must contain a textual portion with the information required in this  
123.16 section and a question stating substantially the following:

123.17 "Shall the capital project levy proposed by the board of ..... School District  
123.18 No. .... be approved?"

123.19 If approved, the amount provided by the approved local tax rate applied to the net  
123.20 tax capacity for the year preceding the year the levy is certified may be certified for the  
123.21 number of years, not to exceed ten, approved.

123.22 In the event a conjunctive question proposes to authorize both the capital project  
123.23 levy and the issuance of obligations for the project, appropriate language authorizing the  
123.24 issuance of obligations must also be included in the question.

123.25 The district must notify the commissioner of the results of the referendum.

123.26 **EFFECTIVE DATE.** This section is effective July 1, 2007, for elections conducted  
123.27 on or after that day.

123.28 Sec. 8. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision  
123.29 to read:

123.30 Subd. 2a. **Statewide adjusted net tax capacity equalizing factor.** The statewide  
123.31 adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total  
123.32 adjusted net tax capacity of all school districts in the state for the year before the year  
123.33 the levy is certified by the total number of adjusted pupil units in the state for the fiscal  
123.34 year preceding the year the levy is certified.

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

124.2 Sec. 9. Minnesota Statutes 2006, section 127A.48, is amended by adding a subdivision  
124.3 to read:

124.4 Subd. 17. **Adjusted debt service net tax capacity.** To calculate each district's  
124.5 adjusted debt service net tax capacity, the commissioner of revenue must recompute  
124.6 the amounts in this section using an alternative sales ratio comparing the sales price to  
124.7 the estimated market value of the property.

124.8 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
124.9 computing taxes payable in 2008.

124.10 Sec. 10. Minnesota Statutes 2006, section 128D.11, subdivision 3, is amended to read:

124.11 Subd. 3. **No election.** Subject to the provisions of subdivisions 7 to 10, the school  
124.12 district may also by a two-thirds majority vote of all the members of its board of education  
124.13 and without any election by the voters of the district, issue and sell in each calendar  
124.14 year general obligation bonds of the district in an amount not to exceed 5-1/10 per cent  
124.15 of the net tax capacity of the taxable property in the district (plus, for calendar years  
124.16 1990 to 2003, an amount not to exceed \$7,500,000, ~~and~~ for calendar years 2004 to 2008  
124.17 an amount not to exceed \$15,000,000, and for each calendar year after 2008, an amount  
124.18 not to exceed \$15,000,000; with an additional provision that any amount of bonds so  
124.19 authorized for sale in a specific year and not sold can be carried forward and sold in  
124.20 the year immediately following).

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

124.22 Sec. 11. Minnesota Statutes 2006, section 273.11, subdivision 1a, is amended to read:

124.23 Subd. 1a. **Limited market value.** In the case of all property classified as  
124.24 agricultural homestead or nonhomestead, residential homestead or nonhomestead, timber,  
124.25 or noncommercial seasonal residential recreational, the assessor shall compare the value  
124.26 with the taxable portion of the value determined in the preceding assessment.

124.27 For assessment years 2004, 2005, and 2006, the amount of the increase shall not  
124.28 exceed the greater of (1) 15 percent of the value in the preceding assessment, or (2) 25  
124.29 percent of the difference between the current assessment and the preceding assessment.

124.30 For assessment year 2007, the amount of the increase shall not exceed the greater of  
124.31 (1) 15 percent of the value in the preceding assessment, or (2) 33 percent of the difference  
124.32 between the current assessment and the preceding assessment.



125.1 For assessment year 2008, the amount of the increase shall not exceed the greater of  
125.2 (1) 15 percent of the value in the preceding assessment, or (2) 50 percent of the difference  
125.3 between the current assessment and the preceding assessment.

125.4 This limitation shall not apply to increases in value due to improvements. For  
125.5 purposes of this subdivision, the term "assessment" means the value prior to any exclusion  
125.6 under subdivision 16.

125.7 The provisions of this subdivision shall be in effect through assessment year 2008  
125.8 as provided in this subdivision.

125.9 For purposes of the assessment/sales ratio study conducted under section 127A.48,  
125.10 and the computation of state aids paid under chapters 122A, 123A, 123B, excluding  
125.11 section 123B.53, 124D, 125A, 126C, 127A, and 477A, market values and net tax  
125.12 capacities determined under this subdivision and subdivision 16, shall be used.

125.13 **EFFECTIVE DATE.** This section is effective the day following final enactment for  
125.14 computing taxes payable in 2008.

125.15 Sec. 12. Minnesota Statutes 2006, section 273.1393, is amended to read:

125.16 **273.1393 COMPUTATION OF NET PROPERTY TAXES.**

125.17 Notwithstanding any other provisions to the contrary, "net" property taxes are  
125.18 determined by subtracting the credits in the order listed from the gross tax:

- 125.19 (1) disaster credit as provided in section 273.123;  
125.20 (2) powerline credit as provided in section 273.42;  
125.21 (3) agricultural preserves credit as provided in section 473H.10;  
125.22 (4) enterprise zone credit as provided in section 469.171;  
125.23 (5) disparity reduction credit;  
125.24 (6) conservation tax credit as provided in section 273.119;  
125.25 (7) homestead and agricultural credits as provided in section 273.1384;  
125.26 (8) school bond agricultural credit as provided in section 123B.555;  
125.27 ~~(8)~~ (9) taconite homestead credit as provided in section 273.135; and  
125.28 ~~(9)~~ (10) supplemental homestead credit as provided in section 273.1391.

125.29 The combination of all property tax credits must not exceed the gross tax amount.

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

125.31 Sec. 13. Minnesota Statutes 2006, section 275.065, subdivision 3, is amended to read:

125.32 Subd. 3. **Notice of proposed property taxes.** (a) The county auditor shall prepare  
125.33 and the county treasurer shall deliver after November 10 and on or before November 24

126.1 each year, by first class mail to each taxpayer at the address listed on the county's current  
126.2 year's assessment roll, a notice of proposed property taxes.

126.3 (b) The commissioner of revenue shall prescribe the form of the notice.

126.4 (c) The notice must inform taxpayers that it contains the amount of property taxes  
126.5 each taxing authority proposes to collect for taxes payable the following year. In the case  
126.6 of a town, or in the case of the state general tax, the final tax amount will be its proposed  
126.7 tax. In the case of taxing authorities required to hold a public meeting under subdivision 6,  
126.8 the notice must clearly state that each taxing authority, including regional library districts  
126.9 established under section 134.201, and including the metropolitan taxing districts as  
126.10 defined in paragraph (i), but excluding all other special taxing districts and towns, will  
126.11 hold a public meeting to receive public testimony on the proposed budget and proposed or  
126.12 final property tax levy, or, in case of a school district, on the current budget and proposed  
126.13 property tax levy. It must clearly state the time and place of each taxing authority's  
126.14 meeting, a telephone number for the taxing authority that taxpayers may call if they have  
126.15 questions related to the notice, and an address where comments will be received by mail.

126.16 (d) The notice must state for each parcel:

126.17 (1) the market value of the property as determined under section 273.11, and used  
126.18 for computing property taxes payable in the following year and for taxes payable in the  
126.19 current year as each appears in the records of the county assessor on November 1 of the  
126.20 current year; and, in the case of residential property, whether the property is classified as  
126.21 homestead or nonhomestead. The notice must clearly inform taxpayers of the years to  
126.22 which the market values apply and that the values are final values;

126.23 (2) the items listed below, shown separately by county, city or town, and state  
126.24 general tax, net of the residential and agricultural homestead credit under section 273.1384  
126.25 and the school bond agricultural credit under section 123B.555, voter approved school  
126.26 levy, other local school levy, and the sum of the special taxing districts, and as a total  
126.27 of all taxing authorities:

126.28 (i) the actual tax for taxes payable in the current year; and

126.29 (ii) the proposed tax amount.

126.30 If the county levy under clause (2) includes an amount for a lake improvement  
126.31 district as defined under sections 103B.501 to 103B.581, the amount attributable for that  
126.32 purpose must be separately stated from the remaining county levy amount.

126.33 In the case of a town or the state general tax, the final tax shall also be its proposed  
126.34 tax unless the town changes its levy at a special town meeting under section 365.52. If a  
126.35 school district has certified under section 126C.17, subdivision 9, that a referendum will  
126.36 be held in the school district at the November general election, the county auditor must

127.1 note next to the school district's proposed amount that a referendum is pending and that,  
127.2 if approved by the voters, the tax amount may be higher than shown on the notice. In  
127.3 the case of the city of Minneapolis, the levy for the Minneapolis Library Board and the  
127.4 levy for Minneapolis Park and Recreation shall be listed separately from the remaining  
127.5 amount of the city's levy. In the case of the city of St. Paul, the levy for the St. Paul  
127.6 Library Agency must be listed separately from the remaining amount of the city's levy.  
127.7 In the case of Ramsey County, any amount levied under section 134.07 may be listed  
127.8 separately from the remaining amount of the county's levy. In the case of a parcel where  
127.9 tax increment or the fiscal disparities areawide tax under chapter 276A or 473F applies,  
127.10 the proposed tax levy on the captured value or the proposed tax levy on the tax capacity  
127.11 subject to the areawide tax must each be stated separately and not included in the sum of  
127.12 the special taxing districts; and

127.13 (3) the increase or decrease between the total taxes payable in the current year and  
127.14 the total proposed taxes, expressed as a percentage.

127.15 For purposes of this section, the amount of the tax on homesteads qualifying under  
127.16 the senior citizens' property tax deferral program under chapter 290B is the total amount  
127.17 of property tax before subtraction of the deferred property tax amount.

127.18 (e) The notice must clearly state that the proposed or final taxes do not include  
127.19 the following:

127.20 (1) special assessments;

127.21 (2) levies approved by the voters after the date the proposed taxes are certified,  
127.22 including bond referenda and school district levy referenda;

127.23 (3) a levy limit increase approved by the voters by the first Tuesday after the first  
127.24 Monday in November of the levy year as provided under section 275.73;

127.25 (4) amounts necessary to pay cleanup or other costs due to a natural disaster  
127.26 occurring after the date the proposed taxes are certified;

127.27 (5) amounts necessary to pay tort judgments against the taxing authority that become  
127.28 final after the date the proposed taxes are certified; and

127.29 (6) the contamination tax imposed on properties which received market value  
127.30 reductions for contamination.

127.31 (f) Except as provided in subdivision 7, failure of the county auditor to prepare or  
127.32 the county treasurer to deliver the notice as required in this section does not invalidate the  
127.33 proposed or final tax levy or the taxes payable pursuant to the tax levy.

127.34 (g) If the notice the taxpayer receives under this section lists the property as  
127.35 nonhomestead, and satisfactory documentation is provided to the county assessor by the  
127.36 applicable deadline, and the property qualifies for the homestead classification in that

128.1 assessment year, the assessor shall reclassify the property to homestead for taxes payable  
128.2 in the following year.

128.3 (h) In the case of class 4 residential property used as a residence for lease or rental  
128.4 periods of 30 days or more, the taxpayer must either:

128.5 (1) mail or deliver a copy of the notice of proposed property taxes to each tenant,  
128.6 renter, or lessee; or

128.7 (2) post a copy of the notice in a conspicuous place on the premises of the property.

128.8 The notice must be mailed or posted by the taxpayer by November 27 or within  
128.9 three days of receipt of the notice, whichever is later. A taxpayer may notify the county  
128.10 treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to  
128.11 which the notice must be mailed in order to fulfill the requirements of this paragraph.

128.12 (i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special  
128.13 taxing districts" means the following taxing districts in the seven-county metropolitan area  
128.14 that levy a property tax for any of the specified purposes listed below:

128.15 (1) Metropolitan Council under section 473.132, 473.167, 473.249, 473.325,  
128.16 473.446, 473.521, 473.547, or 473.834;

128.17 (2) Metropolitan Airports Commission under section 473.667, 473.671, or 473.672;  
128.18 and

128.19 (3) Metropolitan Mosquito Control Commission under section 473.711.

128.20 For purposes of this section, any levies made by the regional rail authorities in the  
128.21 county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter  
128.22 398A shall be included with the appropriate county's levy and shall be discussed at that  
128.23 county's public hearing.

128.24 (j) The governing body of a county, city, or school district may, with the consent  
128.25 of the county board, include supplemental information with the statement of proposed  
128.26 property taxes about the impact of state aid increases or decreases on property tax  
128.27 increases or decreases and on the level of services provided in the affected jurisdiction.  
128.28 This supplemental information may include information for the following year, the current  
128.29 year, and for as many consecutive preceding years as deemed appropriate by the governing  
128.30 body of the county, city, or school district. It may include only information regarding:

128.31 (1) the impact of inflation as measured by the implicit price deflator for state and  
128.32 local government purchases;

128.33 (2) population growth and decline;

128.34 (3) state or federal government action; and

129.1 (4) other financial factors that affect the level of property taxation and local services  
129.2 that the governing body of the county, city, or school district may deem appropriate to  
129.3 include.

129.4 The information may be presented using tables, written narrative, and graphic  
129.5 representations and may contain instruction toward further sources of information or  
129.6 opportunity for comment.

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

129.8 Sec. 14. Minnesota Statutes 2006, section 275.07, subdivision 2, is amended to read:

129.9 Subd. 2. **School district in more than one county levies; special requirements.** (a)

129.10 In school districts lying in more than one county, the clerk shall certify the tax levied to the  
129.11 auditor of the county in which the administrative offices of the school district are located.

129.12 (b) The clerk shall identify the portion of the school district levy that is levied for the  
129.13 purposes specified in section 123B.53, subdivision 5, as the school debt levy at the time  
129.14 that the levy is certified under this section.

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

129.16 Sec. 15. Minnesota Statutes 2006, section 275.08, subdivision 1b, is amended to read:

129.17 Subd. 1b. **Computation of tax rates.** (a) The amounts certified to be levied against  
129.18 net tax capacity under section 275.07 by an individual local government unit shall be  
129.19 divided by the total net tax capacity of all taxable properties within the local government  
129.20 unit's taxing jurisdiction. The resulting ratio, the local government's local tax rate,  
129.21 multiplied by each property's net tax capacity shall be each property's net tax capacity tax  
129.22 for that local government unit before reduction by any credits.

129.23 (b) The auditor shall also determine the school debt tax rate for each school district  
129.24 equal to the school debt levy certified under section 275.07 divided by the total net tax  
129.25 capacity of all taxable property within the district.

129.26 (c) Any amount certified to the county auditor to be levied against market value shall  
129.27 be divided by the total referendum market value of all taxable properties within the taxing  
129.28 district. The resulting ratio, the taxing district's new referendum tax rate, multiplied by  
129.29 each property's referendum market value shall be each property's new referendum tax  
129.30 before reduction by any credits. For the purposes of this subdivision, "referendum market  
129.31 value" means the market value as defined in section 126C.01, subdivision 3.

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

130.1 Sec. 16. Minnesota Statutes 2006, section 276.04, subdivision 2, is amended to read:

130.2 Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the  
130.3 printing of the tax statements. The commissioner of revenue shall prescribe the form  
130.4 of the property tax statement and its contents. The statement must contain a tabulated  
130.5 statement of the dollar amount due to each taxing authority and the amount of the state  
130.6 tax from the parcel of real property for which a particular tax statement is prepared. The  
130.7 dollar amounts attributable to the county, the state tax, the voter approved school tax, the  
130.8 other local school tax, the township or municipality, and the total of the metropolitan  
130.9 special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must  
130.10 be separately stated. The amounts due all other special taxing districts, if any, may be  
130.11 aggregated except that any levies made by the regional rail authorities in the county of  
130.12 Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A  
130.13 shall be listed on a separate line directly under the appropriate county's levy. If the county  
130.14 levy under this paragraph includes an amount for a lake improvement district as defined  
130.15 under sections 103B.501 to 103B.581, the amount attributable for that purpose must be  
130.16 separately stated from the remaining county levy amount. In the case of Ramsey County,  
130.17 if the county levy under this paragraph includes an amount for public library service  
130.18 under section 134.07, the amount attributable for that purpose may be separated from the  
130.19 remaining county levy amount. The amount of the tax on homesteads qualifying under the  
130.20 senior citizens' property tax deferral program under chapter 290B is the total amount of  
130.21 property tax before subtraction of the deferred property tax amount. The amount of the  
130.22 tax on contamination value imposed under sections 270.91 to 270.98, if any, must also  
130.23 be separately stated. The dollar amounts, including the dollar amount of any special  
130.24 assessments, may be rounded to the nearest even whole dollar. For purposes of this section  
130.25 whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar.  
130.26 The amount of market value excluded under section 273.11, subdivision 16, if any, must  
130.27 also be listed on the tax statement.

130.28 (b) The property tax statements for manufactured homes and sectional structures  
130.29 taxed as personal property shall contain the same information that is required on the  
130.30 tax statements for real property.

130.31 (c) Real and personal property tax statements must contain the following information  
130.32 in the order given in this paragraph. The information must contain the current year tax  
130.33 information in the right column with the corresponding information for the previous year  
130.34 in a column on the left:

130.35 (1) the property's estimated market value under section 273.11, subdivision 1;

131.1 (2) the property's taxable market value after reductions under section 273.11,  
131.2 subdivisions 1a and 16;

131.3 (3) the property's gross tax, calculated by adding the property's total property tax to  
131.4 the sum of the aids enumerated in clause (4);

131.5 (4) a total of the following aids:

131.6 (i) education aids payable under chapters 122A, 123A, 123B, 124D, 125A, 126C,  
131.7 and 127A;

131.8 (ii) local government aids for cities, towns, and counties under sections 477A.011 to  
131.9 477A.04; and

131.10 (iii) disparity reduction aid under section 273.1398;

131.11 (5) for homestead residential and agricultural properties, the credits under ~~section~~  
131.12 sections 123B.555 and 273.1384;

131.13 (6) any credits received under sections 273.119; 273.123; 273.135; 273.1391;  
131.14 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received  
131.15 under section 273.135 must be separately stated and identified as "taconite tax relief"; and

131.16 (7) the net tax payable in the manner required in paragraph (a).

131.17 (d) If the county uses envelopes for mailing property tax statements and if the county  
131.18 agrees, a taxing district may include a notice with the property tax statement notifying  
131.19 taxpayers when the taxing district will begin its budget deliberations for the current  
131.20 year, and encouraging taxpayers to attend the hearings. If the county allows notices to  
131.21 be included in the envelope containing the property tax statement, and if more than  
131.22 one taxing district relative to a given property decides to include a notice with the tax  
131.23 statement, the county treasurer or auditor must coordinate the process and may combine  
131.24 the information on a single announcement.

131.25 The commissioner of revenue shall certify to the county auditor the actual or  
131.26 estimated aids enumerated in paragraph (c), clause (4), that local governments will receive  
131.27 in the following year. The commissioner must certify this amount by January 1 of each  
131.28 year.

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

131.30 Sec. 17. **SCHOOL TECHNOLOGY AID.**

131.31 **Subdivision 1. Advisory task force established.** An advisory task force on school  
131.32 technology standards is established to develop and recommend to the commissioner of  
131.33 education and the education policy and finance committees of the legislature school  
131.34 technology standards and systems. At a minimum, the advisory task force must propose:

131.35 (1) minimum standards for technology infrastructure and capacity;

- 132.1 (2) standards for local and state online student assessments;
- 132.2 (3) standards for electronic student records;
- 132.3 (4) school interoperability frameworks;
- 132.4 (5) policies and procedures that ensure instructional resource availability to help
- 132.5 students successfully achieve education excellence and state standards;
- 132.6 (6) databases that are accessible to and within each district and on the Internet;
- 132.7 (7) policies, procedures, and systems that stimulate and promote teacher and student
- 132.8 curriculum and learning collaboration;
- 132.9 (8) uniform technology standards;
- 132.10 (9) adequate Internet and bandwidth capacity; and
- 132.11 (10) the Department of Education data collection procedures under each of the
- 132.12 department's major data reporting systems, and recommendations for streamlining the
- 132.13 reporting of school district data and eliminating duplication.
- 132.14 Subd. 2. **Advisory task force members.** (a) The commissioner of education shall
- 132.15 appoint as members to the advisory task force a representative from each of the following:
- 132.16 (1) one member from the Department of Education who shall serve as chair;
- 132.17 (2) one member from the Office of Enterprise Technology;
- 132.18 (3) one member from a list of school technology experts submitted to the
- 132.19 commissioner by Education Minnesota;
- 132.20 (4) one member from a list of school technology experts submitted to the
- 132.21 commissioner by the Minnesota School Boards Association;
- 132.22 (5) one member from a list of school technology experts submitted to the
- 132.23 commissioner by the Association of Metropolitan School Districts;
- 132.24 (6) one member from a list of school technology experts submitted to the
- 132.25 commissioner by the Minnesota Rural Education Association;
- 132.26 (7) one member from a list of school technology experts submitted to the
- 132.27 commissioner by the Schools for Equity in Education;
- 132.28 (8) one member from a list of school technology experts submitted to the
- 132.29 commissioner by the service cooperatives;
- 132.30 (9) one member from a list of school technology experts submitted to the
- 132.31 commissioner by the Minnesota Association of School Administrators;
- 132.32 (10) one member from a list of school technology experts submitted to the
- 132.33 commissioner by Minnesota Educational Media Organization;
- 132.34 (11) one member from a list of school technology experts submitted to the
- 132.35 commissioner by the Minnesota State Colleges and Universities;



133.1 (12) one member from a list of school technology experts submitted to the  
133.2 commissioner by the president of the University of Minnesota; and

133.3 (13) one member from a list of technology experts submitted to the commissioner  
133.4 by the online advisory council.

133.5 (b) The commissioner of education shall provide needed materials and assistance to  
133.6 the task force upon request.

133.7 (c) Advisory task force members' terms and other task force matters are subject to  
133.8 Minnesota Statutes, section 15.059. The advisory task force must submit by February 15,  
133.9 2008, to the commissioner of education and the education policy and finance committees  
133.10 of the legislature a written report that includes the recommendations under subdivision 1.

133.11 (d) The advisory task force expires on February 16, 2008.

133.12 Subd. 3. **Funding.** A school technology funding program is established to assist  
133.13 school districts, consortiums of school districts, and charter schools to achieve the school  
133.14 technology standards proposed in subdivision 1.

133.15 School technology aid equals \$30 times the district's adjusted marginal cost pupil  
133.16 units for fiscal year 2009.

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

133.18 Sec. 18. **ADMINISTRATIVE LEASE LEVY; SPRING LAKE PARK.**

133.19 Notwithstanding the instructional purposes limitation of Minnesota Statutes, section  
133.20 126C.40, subdivision 1, Independent School District No. 16, Spring Lake Park, may lease  
133.21 a building for administrative purposes and include the lease under Minnesota Statutes,  
133.22 section 126C.40, subdivision 1.

133.23 Sec. 19. **BONDING AUTHORIZATION.**

133.24 To provide funds for the acquisition or betterment of school facilities, Independent  
133.25 School District No. 625, St. Paul, may by two-thirds majority vote of all the members  
133.26 of the board of directors issue general obligation bonds in one or more series for each  
133.27 calendar year following 2008, as provided in this section. The aggregate principal  
133.28 amount of any bonds issued under this section for each calendar year must not exceed  
133.29 \$15,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or  
133.30 475.59. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter  
133.31 475. The authority to issue bonds under this section is in addition to any bonding authority  
133.32 authorized by Minnesota Statutes, chapter 123B, or other law. The amount of bonding  
133.33 authority authorized under this section must be disregarded in calculating the bonding

134.1 limit of Minnesota Statutes, chapter 123B, or any other law other than Minnesota Statutes,  
134.2 section 475.53, subdivision 4.

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

134.4 Sec. 20. **TAX LEVY FOR DEBT SERVICE.**

134.5 To pay the principal of and interest on bonds issued under section 19, Independent  
134.6 School District No. 625, St. Paul, must levy a tax annually in an amount sufficient  
134.7 under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay the principal of  
134.8 and interest on the bonds. The tax authorized under this section is in addition to the  
134.9 taxes authorized to be levied under Minnesota Statutes, chapter 123B, 124D, or 126C, or  
134.10 other law.

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

134.12 Sec. 21. **APPROPRIATIONS.**

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

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

134.18 \$ 190,000 ..... 2008

134.19 \$ 179,000 ..... 2009

134.20 The 2008 appropriation includes \$20,000 for 2007 and \$170,000 for 2008.

134.21 The 2009 appropriation includes \$18,000 for 2008 and \$161,000 for 2009.

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

134.24 \$ 14,813,000 ..... 2008

134.25 \$ 26,100,000 ..... 2009

134.26 The 2008 appropriation includes \$1,767,000 for 2007 and \$13,046,000 for 2008.

134.27 The 2009 appropriation includes \$1,450,000 for 2008 and \$24,650,000 for 2009.

134.28 Subd. 4. **School bond agricultural credit aid.** For school bond agricultural credit  
134.29 aid:

134.30 \$ 10,000,000 ..... 2009

135.1        Subd. 5. **Alternative facilities bonding aid.** For alternative facilities bonding aid,  
135.2 according to Minnesota Statutes, section 123B.59, subdivision 1:

135.3        \$        19,287,000        ..... 2008

135.4        \$        19,287,000        ..... 2009

135.5        The 2008 appropriation includes \$1,928,000 for 2007 and \$17,359,000 for 2008.

135.6        The 2009 appropriation includes \$1,928,000 for 2008 and \$17,359,000 for 2009.

135.7        Subd. 6. **Equity in telecommunications access.** For equity in telecommunications  
135.8 access:

135.9        \$        7,622,000        ..... 2008

135.10       \$        8,743,000        ..... 2009

135.11       If the appropriation amount is insufficient, the commissioner shall reduce the  
135.12 reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the  
135.13 revenue for fiscal years 2008 and 2009 shall be prorated.

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

135.15       The base appropriation for fiscal year 2010 and later is \$3,750,000.

135.16       Subd. 7. **Deferred maintenance aid.** For deferred maintenance aid, according to  
135.17 Minnesota Statutes, section 123B.591, subdivision 4:

135.18       \$        3,290,000        ..... 2008

135.19       \$        2,667,000        ..... 2009

135.20       The 2008 appropriation includes \$0 for 2007 and \$3,290,000 for 2008.

135.21       The 2009 appropriation includes \$365,000 for 2008 and \$2,302,000 for 2009.

135.22       Subd. 8. **Red Lake security reimbursement aid.** For Independent School District  
135.23 No. 38, Red Lake, for onetime security reimbursement aid to improve infrastructure needs  
135.24 in the Red Lake School District as a result of the March 21, 2005, school shooting:

135.25       \$        132,000        ..... 2008

135.26       This is a onetime appropriation.

135.27       Subd. 9. **Rocori school district.** For Rocori, Independent School District No.  
135.28 750, for Project Serv:

135.29       \$        53,000        ..... 2008

135.30       Subd. 10. **School technology grants.** For school technology grants under section  
135.31 17:

135.32       \$        29,100,000        ..... 2009

136.1 This is a onetime appropriation.

136.2 Subd. 11. **School Technology Advisory Task Force expenses.** For expenses of the  
136.3 School Technology Advisory Task Force under section 17:

136.4 \$ 20,000 ..... 2008

136.5 This is a onetime appropriation.

136.6 Subd. 12. **Eden Valley-Watkins; environmental remediation.** For a grant to  
136.7 Independent School District No. 463, Eden Valley-Watkins, to recover the amount actually  
136.8 spent on environmental remediation efforts related to the cleanup of a mercury spill.

136.9 \$ 126,000 ..... 2008

## 136.10 ARTICLE 5

### 136.11 NUTRITION AND ACCOUNTING

136.12 Section 1. Minnesota Statutes 2006, section 123B.10, subdivision 1, is amended to read:

136.13 Subdivision 1. **Budgets.** Every board must publish revenue and expenditure  
136.14 budgets for the current year and the actual revenues, expenditures, fund balances for  
136.15 the prior year and projected fund balances for the current year in a form prescribed by  
136.16 the commissioner within one week of the acceptance of the final audit by the board,  
136.17 or November 30, whichever is earlier. The forms prescribed must be designed so that  
136.18 year to year comparisons of revenue, expenditures and fund balances can be made.  
136.19 ~~These budgets, reports of revenue, expenditures and fund balances must be published in~~  
136.20 ~~a qualified newspaper of general circulation in the district or on the district's official~~  
136.21 ~~Web site. If published on the district's official Web site, the district must also publish an~~  
136.22 ~~announcement in a qualified newspaper of general circulation in the district that includes~~  
136.23 ~~the Internet address where the information has been posted.~~

136.24 Sec. 2. Minnesota Statutes 2006, section 123B.10, is amended by adding a subdivision  
136.25 to read:

136.26 Subd. 1a. **Form of notification.** A school board annually must notify the public of  
136.27 its revenue, expenditures, fund balances, and other relevant budget information. The board  
136.28 must include the budget information required by this section in the materials provided  
136.29 as a part of its truth in taxation hearing, post the materials in a conspicuous place on  
136.30 the district's official Web site, including a link to the district's school report card on the  
136.31 Department of Education's Web site, and publish the information in a qualified newspaper  
136.32 of general circulation in the district.

137.1 Sec. 3. Minnesota Statutes 2006, section 123B.143, subdivision 1, is amended to read:

137.2 Subdivision 1. **Contract; duties.** All districts maintaining a classified secondary  
137.3 school must employ a superintendent who shall be an ex officio nonvoting member of the  
137.4 school board. The authority for selection and employment of a superintendent must be  
137.5 vested in the board in all cases. An individual employed by a board as a superintendent  
137.6 shall have an initial employment contract for a period of time no longer than three years  
137.7 from the date of employment. Any subsequent employment contract must not exceed a  
137.8 period of three years. A board, at its discretion, may or may not renew an employment  
137.9 contract. A board must not, by action or inaction, extend the duration of an existing  
137.10 employment contract. Beginning 365 days prior to the expiration date of an existing  
137.11 employment contract, a board may negotiate and enter into a subsequent employment  
137.12 contract to take effect upon the expiration of the existing contract. A subsequent contract  
137.13 must be contingent upon the employee completing the terms of an existing contract. If a  
137.14 contract between a board and a superintendent is terminated prior to the date specified in  
137.15 the contract, the board may not enter into another superintendent contract with that same  
137.16 individual that has a term that extends beyond the date specified in the terminated contract.  
137.17 A board may terminate a superintendent during the term of an employment contract for any  
137.18 of the grounds specified in section 122A.40, subdivision 9 or 13. A superintendent shall  
137.19 not rely upon an employment contract with a board to assert any other continuing contract  
137.20 rights in the position of superintendent under section 122A.40. Notwithstanding the  
137.21 provisions of sections 122A.40, subdivision 10 or 11, 123A.32, 123A.75, or any other law  
137.22 to the contrary, no individual shall have a right to employment as a superintendent based  
137.23 on order of employment in any district. If two or more districts enter into an agreement for  
137.24 the purchase or sharing of the services of a superintendent, the contracting districts have  
137.25 the absolute right to select one of the individuals employed to serve as superintendent  
137.26 in one of the contracting districts and no individual has a right to employment as the  
137.27 superintendent to provide all or part of the services based on order of employment in a  
137.28 contracting district. The superintendent of a district shall perform the following:

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

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

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

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

137.34 (5) ~~by January 10, submit an annual report to the commissioner in a manner~~  
137.35 ~~prescribed by the commissioner, in consultation with school districts, identifying the~~  
137.36 ~~expenditures that the district requires to ensure an 80 percent student passage rate on the~~

138.1 ~~basic standards test taken in the eighth grade, identifying the highest student passage~~  
138.2 ~~rate the district expects it will be able to attain on the basic standards test by grade 12;~~  
138.3 ~~the amount of expenditures that the district requires to attain the targeted student passage~~  
138.4 ~~rate, and how much the district is cross-subsidizing programs with special education, basic~~  
138.5 ~~skills, and general education revenue; and~~  
138.6 (6) perform other duties prescribed by the board.

138.7 Sec. 4. Minnesota Statutes 2006, section 123B.77, subdivision 4, is amended to read:

138.8 Subd. 4. **Budget approval.** Prior to July 1 of each year, the board of each district  
138.9 must approve and adopt its revenue and expenditure budgets for the next school year.  
138.10 The budget document so adopted must be considered an expenditure-authorizing or  
138.11 appropriations document. No funds shall be expended by any board or district for any  
138.12 purpose in any school year prior to the adoption of the budget document which authorizes  
138.13 that expenditure, or prior to an amendment to the budget document by the board to  
138.14 authorize the expenditure. Expenditures of funds in violation of this subdivision shall be  
138.15 considered unlawful expenditures. ~~Prior to the appropriation of revenue for the next~~  
138.16 ~~school year in the initial budget, the board shall inform the principal or other responsible~~  
138.17 ~~administrative authority of each site of the amount of general education and referendum~~  
138.18 ~~revenue that the Department of Education estimates will be generated by the pupils~~  
138.19 ~~in attendance at each site. For purposes of this subdivision, a district may adjust the~~  
138.20 ~~department's estimates for school building openings, school building closings, changes~~  
138.21 ~~in attendance area boundaries, or other changes in programs or student demographics~~  
138.22 ~~not reflected in the department's calculations. A district must report to the department~~  
138.23 ~~any adjustments it makes according to this subdivision in the department's estimates~~  
138.24 ~~of compensatory revenue generated by the pupils in attendance at each site, and the~~  
138.25 ~~department must use the adjusted compensatory revenue estimates in preparing the report~~  
138.26 ~~required under section 123B.76, subdivision 3, paragraph (c).~~

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

138.28 Sec. 5. Minnesota Statutes 2006, section 123B.79, subdivision 8, is amended to read:

138.29 Subd. 8. **Account transfer for reorganizing districts.** A district that has  
138.30 reorganized according to sections 123A.35 to 123A.43, 123A.46, or 123A.48, or has  
138.31 conducted a successful referendum on the question of combination under section  
138.32 123A.37, subdivision 2, or consolidation under section 123A.48, subdivision 15, or has  
138.33 been assigned an identification number by the commissioner under section 123A.48,  
138.34 subdivision 16, may make permanent transfers between any of the funds or accounts in

139.1 the newly created or enlarged district with the exception of the debt redemption fund,  
139.2 food service fund, and health and safety account of the capital expenditure fund. Fund  
139.3 transfers under this section may be made for up to one year prior to the effective date of  
139.4 combination or consolidation by the consolidating boards and during the year following  
139.5 the effective date of reorganization by the consolidated board. The newly formed board of  
139.6 the combined district may adopt a resolution on or before August 30 of the year of the  
139.7 reorganization authorizing a transfer among accounts or funds of the previous independent  
139.8 school districts which transfer or transfers shall be reported in the affected districts'  
139.9 audited financial statements for the year immediately preceding the consolidation.

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

139.11 Sec. 6. Minnesota Statutes 2006, section 123B.79, is amended by adding a subdivision  
139.12 to read:

139.13 **Subd. 9. Elimination of reserve accounts.** A school board shall eliminate all  
139.14 reserve accounts established in the school district's general fund under Minnesota Statutes  
139.15 before July 1, 2006, for which no specific authority remains in statute as of June 30,  
139.16 2007. Any balance in the district's reserved for bus purchases account as of June 30,  
139.17 2007, shall be transferred to the reserved account for operating capital in the school  
139.18 district's general fund. Any balance in other reserved accounts established in the school  
139.19 district's general fund under Minnesota Statutes before July 1, 2006, for which no specific  
139.20 authority remains in statute as of June 30, 2007, shall be transferred to the school district's  
139.21 unreserved general fund balance. A school board may, upon adoption of a resolution by  
139.22 the school board, establish a designated account for any program for which a reserved  
139.23 account has been eliminated.

139.24 **EFFECTIVE DATE.** This section is effective June 30, 2007.

139.25 Sec. 7. Minnesota Statutes 2006, section 124D.111, subdivision 1, is amended to read:

139.26 Subdivision 1. **School lunch aid computation.** Each school year, the state must pay  
139.27 participants in the national school lunch program the amount of ~~10.5~~ 12 cents for each full  
139.28 paid, reduced, and free student lunch served to students.

139.29 Sec. 8. Minnesota Statutes 2006, section 126C.15, subdivision 2, is amended to read:

139.30 Subd. 2. **Building allocation.** (a) A district must allocate its compensatory revenue  
139.31 to each school building in the district where the children who have generated the revenue  
139.32 are served unless the school district has received permission under section 50 to allocate

140.1 compensatory revenue according to student performance measures developed by the  
140.2 school board.

140.3 (b) Notwithstanding paragraph (a), a district may allocate up to five percent of the  
140.4 amount of compensatory revenue that the district receives to school sites according to a  
140.5 plan adopted by the school board.

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

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

140.11 (e) A district with school building openings, school building closings, changes  
140.12 in attendance area boundaries, or other changes in programs or student demographics  
140.13 between the prior year and the current year may reallocate compensatory revenue among  
140.14 sites to reflect these changes. A district must report to the department any adjustments it  
140.15 makes according to this paragraph and the department must use the adjusted compensatory  
140.16 revenue allocations in preparing the report required under section 123B.76, subdivision 3,  
140.17 paragraph (c).

140.18 Sec. 9. Minnesota Statutes 2006, section 126C.41, is amended by adding a subdivision  
140.19 to read:

140.20 Subd. 6. **Levy authority for unfunded severance and retirement costs.** (a) A  
140.21 school district qualifies for eligibility under this section if the district:

140.22 (1) participated in the cooperative secondary facilities program;

140.23 (2) consolidated with at least two other school districts; and

140.24 (3) has unfunded severance or retirement costs.

140.25 (b) An eligible school district may annually levy up to \$150,000 for unfunded  
140.26 severance or retirement costs. This levy authority expires after taxes payable in 2017.

140.27 (c) A school district that levies under this section must reserve the proceeds of the  
140.28 levy and spend those amounts only for unfunded severance or retirement costs.

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

140.30 Sec. 10. Minnesota Statutes 2006, section 126C.48, subdivision 2, is amended to read:

140.31 Subd. 2. **Notice to commissioner; forms.** By October 7 of each year each  
140.32 district must notify the commissioner of the proposed levies in compliance with the levy  
140.33 limitations of this chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A, and  
140.34 136D. A school district that has reached an agreement with its home county auditor to



141.1 extend the date of certification of its proposed levy under section 275.065, subdivision 1,  
141.2 must submit its notice of proposed levies to the commissioner no later than October 10 of  
141.3 each year. By January 7 of each year each district must notify the commissioner of the  
141.4 final levies certified. The commissioner shall prescribe the form of these notifications and  
141.5 may request any additional information necessary to compute certified levy amounts.

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

141.7 Sec. 11. Minnesota Statutes 2006, section 205A.03, subdivision 1, is amended to read:

141.8 Subdivision 1. **Required Resolution requiring primary in certain circumstances.**  
141.9 ~~In~~ The school board of a school district election, may, by resolution adopted by June 1 of  
141.10 any year, decide to choose nominees for school board by a primary as provided in this  
141.11 section. The resolution, when adopted, is effective for all ensuing elections of board  
141.12 members in that school district until it is revoked. If the board decides to choose nominees  
141.13 by primary and if there are more than two candidates for a specified school board position  
141.14 or more than twice as many school board candidates as there are at-large school board  
141.15 positions available, ~~a~~ the school district must hold a primary.

141.16 **EFFECTIVE DATE.** This section is effective the day following final enactment  
141.17 and applies for school board elections held in 2007 and thereafter.

141.18 Sec. 12. Minnesota Statutes 2006, section 205A.06, subdivision 1a, is amended to read:

141.19 Subd. 1a. **Filing period.** In school districts that have adopted a resolution to choose  
141.20 nominees for school board by a primary election, affidavits of candidacy must be filed  
141.21 with the school district clerk no earlier than the 70th day and no later than the 56th day  
141.22 before the first Tuesday after the second Monday in September in the year when the  
141.23 school district general election is held. In all other school districts, affidavits of candidacy  
141.24 must be filed no earlier than the 70th day and no later than the 56th day before the school  
141.25 district general election.

141.26 **EFFECTIVE DATE.** This section is effective the day following final enactment  
141.27 and applies for school board elections held in 2007 and thereafter.

141.28 Sec. 13. Minnesota Statutes 2006, section 275.065, subdivision 1, is amended to read:

141.29 Subdivision 1. **Proposed levy.** (a) Notwithstanding any law or charter to the  
141.30 contrary, on or before September 15, each taxing authority, other than a school district,  
141.31 shall adopt a proposed budget and shall certify to the county auditor the proposed or, in  
141.32 the case of a town, the final property tax levy for taxes payable in the following year.

142.1 (b) On or before September 30, each school district that has not mutually agreed  
142.2 with its home county to extend this date shall certify to the county auditor the proposed  
142.3 property tax levy for taxes payable in the following year. Each school district that has  
142.4 agreed with its home county to delay the certification of its proposed property tax levy  
142.5 must certify its proposed property tax levy for the following year no later than October

142.6 7. The school district shall certify the proposed levy as:

142.7 (1) a specific dollar amount by school district fund, broken down between  
142.8 voter-approved and non-voter-approved levies and between referendum market value  
142.9 and tax capacity levies; or

142.10 (2) the maximum levy limitation certified by the commissioner of education  
142.11 according to section 126C.48, subdivision 1.

142.12 (c) If the board of estimate and taxation or any similar board that establishes  
142.13 maximum tax levies for taxing jurisdictions within a first class city certifies the maximum  
142.14 property tax levies for funds under its jurisdiction by charter to the county auditor by  
142.15 September 15, the city shall be deemed to have certified its levies for those taxing  
142.16 jurisdictions.

142.17 (d) For purposes of this section, "taxing authority" includes all home rule and  
142.18 statutory cities, towns, counties, school districts, and special taxing districts as defined  
142.19 in section 275.066. Intermediate school districts that levy a tax under chapter 124 or  
142.20 136D, joint powers boards established under sections 123A.44 to 123A.446, and Common  
142.21 School Districts No. 323, Franconia, and No. 815, Prinsburg, are also special taxing  
142.22 districts for purposes of this section.

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

142.24 Sec. 14. Minnesota Statutes 2006, section 275.065, subdivision 1a, is amended to read:

142.25 Subd. 1a. **Overlapping jurisdictions.** In the case of a taxing authority lying in  
142.26 two or more counties, the home county auditor shall certify the proposed levy and the  
142.27 proposed local tax rate to the other county auditor by October 5, unless the home county  
142.28 has agreed to delay the certification of its proposed property tax levy, in which case the  
142.29 home county auditor shall certify the proposed levy and the proposed local tax rate to the  
142.30 other county auditor by October 10. The home county auditor must estimate the levy or  
142.31 rate in preparing the notices required in subdivision 3, if the other county has not certified  
142.32 the appropriate information. If requested by the home county auditor, the other county  
142.33 auditor must furnish an estimate to the home county auditor.

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

143.1       Sec. 15. **DEPARTMENT OF EDUCATION REPORT.**

143.2           The Department of Education must provide a report to the education committees  
143.3 of the legislature by January 15, 2008. The report must analyze the department's data  
143.4 collection procedures under each of the department's major data reporting systems and  
143.5 recommend a streamlined, Web-based system of reporting school district data. The report  
143.6 must also analyze any stand-alone school district reporting requirements and recommend  
143.7 elimination of any district reports that are duplicative of other data already collected  
143.8 by the department.

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

143.10       Sec. 16. **SCHOOL NUTRITIONAL PROGRAMS.**

143.11           The commissioner of education shall review the experience of the Appleton,  
143.12 Wisconsin school district and other school districts as applicable where enhancements  
143.13 to school nutritional programs have resulted in positive impacts on special education  
143.14 outcomes and costs, and present recommendations to the legislature by January 15, 2008.

143.15       Sec. 17. **PLAINVIEW-ELGIN-MILLVILLE; CONSOLIDATED DISTRICT**  
143.16 **FUND BALANCE CALCULATIONS.**

143.17           Subdivision 1. **Fiscal year 2007 replacement aid.** Independent School District  
143.18 No. 2899, Plainview-Elgin-Millville, is eligible for replacement aid to offset its excess  
143.19 fund balance penalty for fiscal year 2007.

143.20           Subd. 2. **Fiscal years 2008 and 2009.** Upon receipt of appropriate documentation  
143.21 from Independent School District No. 2899, Plainview-Elgin-Millville, the Department of  
143.22 Education must adjust the district's three-year adjusted average fund balances required  
143.23 under Minnesota Statutes, sections 124D.135, 124D.16 and 124D.20. The department  
143.24 shall adjust the fiscal year 2006 account balances reported by former Independent School  
143.25 Districts Nos. 806, Elgin-Millville, and 810, Plainview, to reflect any permanent account  
143.26 of fund transfers made under Minnesota Statutes, section 123B.79.

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

143.28       Sec. 18. **FUND TRANSFERS.**

143.29           Subdivision 1. **Brainerd.** Notwithstanding Minnesota Statutes, section 123B.79  
143.30 or 123B.80, Independent School District No. 181, Brainerd, on June 30, 2007, may  
143.31 permanently transfer up to \$750,000 from the reserved for operating capital account to the  
143.32 undesignated balance in its general fund.

144.1        Subd. 2. **Campbell-Tintah.** Notwithstanding Minnesota Statutes, section 123B.79  
144.2 or 123B.80, on June 30, 2007, Independent School District No. 852, Campbell-Tintah,  
144.3 may permanently transfer up to \$100,000 from its reserved for operating capital account  
144.4 to the undesignated balance in its general fund.

144.5        Subd. 3. **Jackson County Central.** Notwithstanding Minnesota Statutes, section  
144.6 123B.79 or 123B.80, on June 30, 2007, Independent School District No. 2895, Jackson  
144.7 County Central, may permanently transfer up to \$300,000 from its reserved for operating  
144.8 capital account to the undesignated balance in its general fund.

144.9        Subd. 4. **Comfrey.** Notwithstanding Minnesota Statutes, section 123B.79  
144.10 or 123B.80, Independent School District No. 81, Comfrey, on June 30, 2007, may  
144.11 permanently transfer up to \$250,000 from its reserved for operating capital account to the  
144.12 undesignated balance in its general fund.

144.13        Subd. 5. **Windom.** Notwithstanding Minnesota Statutes, section 123B.79 or  
144.14 123B.80, Independent School District No. 177, Windom, on June 30, 2007, may  
144.15 permanently transfer up to \$50,000 from its reserved for operating capital account to the  
144.16 undesignated balance in its general fund.

144.17        Sec. 19. **APPROPRIATIONS.**

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

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

144.23        \$        12,022,000        ..... 2008

144.24        \$        12,166,000        ..... 2009

144.25        Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
144.26 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
144.27 124D.118:

144.28        \$        5,460,000        ..... 2008

144.29        \$        5,695,000        ..... 2009

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

144.32        \$        150,000        ..... 2008

144.33        \$        150,000        ..... 2009



Sec. 3. **COMPREHENSIVE LIBRARY STRUCTURE STUDY.**

The commissioner of education must contract with an independent consultant that has extensive experience working with libraries to evaluate the structure of the library system and services provided by Minnesota libraries that receive public funding. The study must include all types of libraries in the state such as academic, government, special, school, and public libraries, including collaborative entities such as MINITEX and state library services. The consultant must:

(1) conduct an in-depth analysis of the current library system structure and services, identifying best practices, duplication of services, and opportunities to improve efficiency; and

(2) prepare a report to be submitted to the Department of Education, documenting and reporting findings, and recommending, where necessary, changes to increase efficiency and cooperation in the delivery of service and use of public funds.

The commissioner must report the findings of the study to the legislative committees having jurisdiction over kindergarten through grade 12 finance before January 15, 2009, and shall recommend any required changes in statute that will result in a more streamlined and efficient library structure.

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

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

Subd. 2. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

\$ 9,182,000 ..... 2008

\$ 13,138,000 ..... 2009

The 2008 appropriation includes \$857,000 for 2007 and \$8,325,000 for 2008.

The 2009 appropriation includes \$925,000 for 2008 and \$12,213,000 for 2009.

Subd. 3. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

\$ 1,260,000 ..... 2008

\$ 1,300,000 ..... 2009

The 2008 appropriation includes \$90,000 for 2007 and \$1,170,000 for 2008.

The 2009 appropriation includes \$130,000 for 2008 and \$1,170,000 for 2009.



148.1 of education shall appoint members who are representative of significant segments of  
148.2 the American Indian population.

148.3 Subd. 2. **Committee to advise commissioner.** Each committee on American Indian  
148.4 education programs shall advise the commissioner regarding the commissioner's duties  
148.5 under sections 124D.71 to 124D.82 and other programs for educating American Indian  
148.6 people as determined by the commissioner.

148.7 Subd. 3. **Expenses.** Each committee must be reimbursed for expenses under section  
148.8 15.059, subdivision 6. The commissioner must determine the membership terms and the  
148.9 duration of each committee, which must expire no later than June 30, 2020.

148.10 Sec. 2. Minnesota Statutes 2006, section 517.08, subdivision 1c, is amended to read:

148.11 Subd. 1c. **Disposition of license fee.** (a) Of the marriage license fee collected  
148.12 pursuant to subdivision 1b, paragraph (a), \$15 must be retained by the county. The local  
148.13 registrar must pay \$85 to the commissioner of finance to be deposited as follows:

148.14 (1) \$50 in the general fund;

148.15 (2) \$3 in the state government special revenue fund to be appropriated to the  
148.16 commissioner of ~~education~~ public safety for parenting time centers under section 119A.37;

148.17 (3) \$2 in the special revenue fund to be appropriated to the commissioner of health  
148.18 for developing and implementing the MN ENABL program under section 145.9255;

148.19 (4) \$25 in the special revenue fund is appropriated to the commissioner of  
148.20 employment and economic development for the displaced homemaker program under  
148.21 section 116L.96; and

148.22 (5) \$5 in the special revenue fund is appropriated to the commissioner of human  
148.23 services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under  
148.24 section 256.742.

148.25 (b) Of the \$30 fee under subdivision 1b, paragraph (b), \$15 must be retained by the  
148.26 county. The local registrar must pay \$15 to the commissioner of finance to be deposited  
148.27 as follows:

148.28 (1) \$5 as provided in paragraph (a), clauses (2) and (3); and

148.29 (2) \$10 in the special revenue fund is appropriated to the commissioner of  
148.30 employment and economic development for the displaced homemaker program under  
148.31 section 116L.96.

148.32 (c) The increase in the marriage license fee under paragraph (a) provided for in Laws  
148.33 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the  
148.34 Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a),



149.1 clause (5), is contingent upon the receipt of federal funding under United States Code, title  
149.2 42, section 1315, for purposes of the initiative.

149.3 Sec. 3. **RULEMAKING AUTHORITY; CAREER AND TECHNICAL**  
149.4 **EDUCATION.**

149.5 The commissioner of education shall adopt rules under Minnesota Statutes, chapter  
149.6 14, for the administration of career and technical education programs for grades 7 through  
149.7 12 under Minnesota Statutes, sections 124D.452, 124D.4531, and 124D.454, to ensure  
149.8 that the career and technical levy and programs can be administered to serve students  
149.9 under the current state and local organizational structures.

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

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

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

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

149.16 \$ 22,003,000 .... 2008

149.17 \$ 22,309,000 .... 2009

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

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

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

149.21 (d) \$614,000 in fiscal year 2008 and \$622,000 in fiscal year 2009 are for the Board  
149.22 of Teaching.

149.23 (e) \$162,000 in fiscal year 2008 and \$165,000 in fiscal year 2009 are for the Board  
149.24 of School Administrators.

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

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

149.27 (h) \$7,000 in fiscal year 2008 is for rulemaking for physical education standards.

149.28 (i) \$40,000 each year is for an early hearing loss intervention coordinator under  
149.29 Minnesota Statutes, section 125A.63, subdivision 5.

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

149.33 (k) \$260,000 per year is for the Minnesota Children's Museum.

150.1 (l) \$41,000 per year is for the Academy of Science.

150.2 Sec. 5. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

150.3 The sums indicated in this section are appropriated from the general fund to the  
150.4 Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

150.5 \$ 11,504,000 ..... 2008

150.6 \$ 11,527,000 ..... 2009

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

150.8 Sec. 6. **APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.**

150.9 The sums indicated in this section are appropriated from the general fund to the  
150.10 Perpich Center for Arts Education for the fiscal years designated:

150.11 \$ 6,727,000 ..... 2008

150.12 \$ 6,833,000 ..... 2009

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

150.14 Sec. 7. **APPROPRIATIONS; DEPARTMENT OF PUBLIC SAFETY.**

150.15 The sums indicated in this section are appropriated from the state government  
150.16 special revenue fund to the Department of Public Safety for the fiscal years designated to  
150.17 fund parenting time centers as described in Minnesota Statutes, section 119A.37:

150.18 \$ 96,000 ..... 2008

150.19 \$ 96,000 ..... 2009

150.20 **ARTICLE 8**

150.21 **EDUCATION FORECAST ADJUSTMENTS**

150.22 **A. GENERAL EDUCATION**

150.23 Section 1. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision  
150.24 2, as amended by Laws 2006, chapter 282, article 3, section 2, is amended to read:

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

150.27 \$ 5,819,153,000 ..... 2006

150.28 ~~5,472,238,000~~

150.29 \$ 5,453,693,000 ..... 2007

150.30 The 2006 appropriation includes \$787,978,000 for 2005 and \$5,031,175,000 for  
150.31 2006.

151.1 The 2007 appropriation includes ~~\$513,848,000~~ \$518,218,000 for 2006 and  
151.2 ~~\$4,958,390,000~~ \$4,935,475,000 for 2007.

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

151.4 Sec. 2. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 4,  
151.5 is amended to read:

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

151.9 \$ 55,000 ..... 2006

151.10 ~~55,000~~

151.11 \$ 93,000 ..... 2007

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

151.13 Sec. 3. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 5,  
151.14 as amended by Laws 2006, chapter 282, article 7, section 2, is amended to read:

151.15 Subd. 5. **Abatement revenue.** For abatement aid under Minnesota Statutes, section  
151.16 127A.49:

151.17 \$ 909,000 ..... 2006

151.18 ~~1,026,000~~

151.19 \$ 765,000 ..... 2007

151.20 The 2006 appropriation includes \$187,000 for 2005 and \$722,000 for 2006.

151.21 The 2007 appropriation includes \$80,000 for 2006 and ~~\$946,000~~ \$685,000 for 2007.

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

151.23 Sec. 4. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 6,  
151.24 as amended by Laws 2006, chapter 282, article 7, section 3, is amended to read:

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

151.27 ~~527,000~~

151.28 \$ 388,000 ..... 2007

151.29 The 2007 appropriation includes \$0 for 2006 and ~~\$527,000~~ \$388,000 for 2007.

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

152.1 Sec. 5. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 7,  
152.2 as amended by Laws 2006, chapter 282, article 7, section 4, is amended to read:

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

152.5 \$ 15,458,000 ..... 2006

152.6 ~~15,991,000~~

152.7 \$ 15,972,000 ..... 2007

152.8 The 2006 appropriation includes \$1,864,000 for 2005 and \$13,594,000 for 2006.

152.9 The 2007 appropriation includes \$1,510,000 for 2006 and ~~\$14,481,000~~ \$14,462,000  
152.10 for 2007.

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

152.12 Sec. 6. Laws 2005, First Special Session chapter 5, article 1, section 54, subdivision 8,  
152.13 as amended by Laws 2006, chapter 282, article 7, section 5, is amended to read:

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

152.16 \$ 21,371,000 ..... 2006

152.17 ~~20,843,000~~

152.18 \$ 21,133,000 ..... 2007

152.19 The 2006 appropriation includes \$3,274,000 for 2005 and \$18,097,000 for 2006.

152.20 The 2007 appropriation includes \$2,010,000 for 2006 and ~~\$18,833,000~~ \$19,123,000  
152.21 for 2007.

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

152.23 **B. EDUCATION EXCELLENCE**

152.24 Sec. 7. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 2,  
152.25 as amended by Laws 2006, chapter 282, article 7, section 6, is amended to read:

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

152.28 \$ 25,331,000 ..... 2006

152.29 ~~27,806,000~~

152.30 \$ 27,795,000 ..... 2007

152.31 The 2006 appropriation includes \$3,173,000 for 2005 and \$22,158,000 for 2006.

152.32 The 2007 appropriation includes \$2,462,000 for 2006 and ~~\$25,344,000~~ \$25,333,000  
152.33 for 2007.

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

153.2 Sec. 8. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 3,  
153.3 as amended by Laws 2006, chapter 282, article 7, section 7, is amended to read:

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

153.6 \$ 1,291,000 ..... 2006

153.7 ~~2,347,000~~

153.8 \$ 2,316,000 ..... 2007

153.9 The 2006 appropriation includes \$0 for 2005 and \$1,291,000 for 2006.

153.10 The 2007 appropriation includes \$143,000 for 2006 and ~~\$2,204,000~~ \$2,173,000

153.11 for 2007.

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

153.13 Sec. 9. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 4,  
153.14 as amended by Laws 2006, chapter 282, article 7, section 8, is amended to read:

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

153.17 \$ 59,404,000 ..... 2006

153.18 ~~58,405,000~~

153.19 \$ 58,075,000 ..... 2007

153.20 The 2006 appropriation includes \$8,545,000 for 2005 and \$50,859,000 for 2006.

153.21 The 2007 appropriation includes \$5,650,000 for 2006 and ~~\$52,755,000~~ \$52,425,000

153.22 for 2007.

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

153.24 Sec. 10. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
153.25 6, as amended by Laws 2006, chapter 282, article 7, section 9, is amended to read:

153.26 Subd. 6. **Interdistrict desegregation or integration transportation grants.** For  
153.27 interdistrict desegregation or integration transportation grants under Minnesota Statutes,  
153.28 section 124D.87:

153.29 \$ 6,032,000 ..... 2006

153.30 ~~10,134,000~~

153.31 \$ 8,169,000 ..... 2007

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

154.1 Sec. 11. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision  
154.2 10, as amended by Laws 2006, chapter 282, article 7, section 11, is amended to read:  
154.3 Subd. 10. **Tribal contract schools.** For tribal contract school aid under Minnesota  
154.4 Statutes, section 124D.83:

154.5	\$ 2,338,000	.....	2006
154.6	<del>2,357,000</del>		
154.7	\$ <u>2,060,000</u>	.....	2007

154.8 The 2006 appropriation includes \$348,000 for 2005 and \$1,990,000 for 2006.

154.9 The 2007 appropriation includes \$221,000 for 2006 and ~~\$2,136,000~~ \$1,839,000  
154.10 for 2007.

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

154.12 **C. SPECIAL PROGRAMS**

154.13 Sec. 12. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
154.14 2, as amended by Laws 2006, chapter 282, article 7, section 12, is amended to read:

154.15 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes,  
154.16 section 125A.75:

154.17	\$ 559,485,000	.....	2006
154.18	<del>528,106,000</del>		
154.19	\$ <u>529,257,000</u>	.....	2007

154.20 The 2006 appropriation includes \$83,078,000 for 2005 and \$476,407,000 for 2006.

154.21 The 2007 appropriation includes \$52,934,000 for 2006 and ~~\$475,172,000~~  
154.22 \$476,323,000 for 2007.

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

154.24 Sec. 13. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
154.25 3, as amended by Laws 2006, chapter 282, article 7, section 13, is amended to read:

154.26 Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section  
154.27 125A.75, subdivision 3, for children with disabilities placed in residential facilities within  
154.28 the district boundaries for whom no district of residence can be determined:

154.29	\$ 1,527,000	.....	2006
154.30	<del>1,624,000</del>		
154.31	\$ <u>1,410,000</u>	.....	2007

154.32 If the appropriation for either year is insufficient, the appropriation for the other  
154.33 year is available.

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

155.2 Sec. 14. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
155.3 4, as amended by Laws 2006, chapter 282, article 7, section 14, is amended to read:

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

155.6 \$ 198,000 ..... 2006

155.7 ~~195,000~~

155.8 \$ 224,000 ..... 2007

155.9 The 2006 appropriation includes \$28,000 for 2005 and \$170,000 for 2006.

155.10 The 2007 appropriation includes \$18,000 for 2006 and ~~\$177,000~~ \$206,000 for 2007.

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

155.12 Sec. 15. Laws 2005, First Special Session chapter 5, article 3, section 18, subdivision  
155.13 6, as amended by Laws 2006, chapter 282, article 7, section 16, is amended to read:

155.14 Subd. 6. **Transition for disabled students.** For aid for transition programs for children  
155.15 with disabilities under Minnesota Statutes, section 124D.454:

155.16 \$ 9,300,000 ..... 2006

155.17 ~~8,781,000~~

155.18 \$ 8,800,000 ..... 2007

155.19 The 2006 appropriation includes \$1,380,000 for 2005 and \$7,920,000 for 2006.

155.20 The 2007 appropriation includes \$880,000 for 2006 and ~~\$7,901,000~~ \$7,920,000

155.21 for 2007.

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

155.23 **D. FACILITIES**

155.24 Sec. 16. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
155.25 2, as amended by Laws 2006, chapter 282, article 7, section 18, is amended to read:

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

155.28 \$ 823,000 ..... 2006

155.29 ~~352,000~~

155.30 \$ 249,000 ..... 2007

155.31 The 2006 appropriation includes \$211,000 for 2005 and \$612,000 for 2006.

155.32 The 2007 appropriation includes \$68,000 for 2006 and ~~\$284,000~~ \$181,000 for 2007.

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

156.2 Sec. 17. Laws 2005, First Special Session chapter 5, article 4, section 25, subdivision  
156.3 3, as amended by Laws 2006, chapter 282, article 5, section 2, is amended to read:

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

156.6 \$ 27,206,000 ..... 2006

156.7 ~~18,410,000~~

156.8 \$ 18,395,000 ..... 2007

156.9 The 2006 appropriation includes \$4,654,000 for 2005 and \$22,552,000 for 2006.

156.10 The 2007 appropriation includes \$2,504,000 for 2006 and ~~\$15,906,000~~ 15,891,000

156.11 for 2007.

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

156.13 **E. NUTRITION**

156.14 Sec. 18. Laws 2005, First Special Session chapter 5, article 5, section 17, subdivision  
156.15 3, as amended by Laws 2006, chapter 282, article 7, section 20, is amended to read:

156.16 Subd. 3. **Traditional school breakfast; kindergarten milk.** For traditional school  
156.17 breakfast aid and kindergarten milk under Minnesota Statutes, sections 124D.1158 and  
156.18 124D.118:

156.19 \$ 4,856,000 ..... 2006

156.20 ~~5,044,000~~

156.21 \$ 5,175,000 ..... 2007

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

156.23 **F. EARLY CHILDHOOD EDUCATION**

156.24 Sec. 19. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
156.25 2, as amended by Laws 2006, chapter 282, article 7, section 24, is amended to read:

156.26 Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota  
156.27 Statutes, sections 124D.15 and 124D.16:

156.28 \$ 9,528,000 ..... 2006

156.29 ~~9,020,000~~

156.30 \$ 9,087,000 ..... 2007

156.31 The 2006 appropriation includes \$1,415,000 for 2005 and \$8,113,000 for 2006.

156.32 The 2007 appropriation includes \$901,000 for 2006 and ~~\$8,119,000~~ \$8,186,000

156.33 for 2007.



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

157.2 Sec. 20. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
157.3 3, as amended by Laws 2006, chapter 282, article 2, section 24, is amended to read:

157.4 Subd. 3. **Early childhood family education aid.** For early childhood family education  
157.5 aid under Minnesota Statutes, section 124D.135:

157.6 \$ 15,105,000 ..... 2006

157.7 ~~17,792,000~~

157.8 \$ 17,639,000 ..... 2007

157.9 The 2006 appropriation includes \$1,859,000 for 2005 and \$13,246,000 for 2006.

157.10 The 2007 appropriation includes \$1,471,000 for 2006 and ~~\$16,321,000~~ \$16,168,000  
157.11 for 2007.

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

157.13 Sec. 21. Laws 2005, First Special Session chapter 5, article 7, section 20, subdivision  
157.14 4, as amended by Laws 2006, chapter 282, article 2, section 25, is amended to read:

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

157.17 \$ 3,000,000 ..... 2006

157.18 ~~2,997,000~~

157.19 \$ 2,880,000 ..... 2007

157.20 The 2006 appropriation includes \$417,000 for 2005 and \$2,583,000 for 2006

157.21 The 2007 appropriation includes \$287,000 for 2006 and ~~\$2,710,000~~ \$2,593,000  
157.22 for 2007.

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

157.24 Sec. 22. Laws 2006, chapter 282, article 2, section 28, subdivision 4, is amended to  
157.25 read:

157.26 Subd. 4. **Early childhood Part C.** For the expansion of early childhood Part C  
157.27 services:

157.28 ~~400,000~~

157.29 \$ -0- ..... 2007

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

157.31 **G. PREVENTION**

158.1 Sec. 23. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 2,  
158.2 as amended by Laws 2006, chapter 282, article 7, section 25, is amended to read:

158.3 Subd. 2. **Community education aid.** For community education aid under Minnesota  
158.4 Statutes, section 124D.20:

158.5 \$ 2,043,000 ..... 2006

158.6 ~~1,949,000~~

158.7 \$ 1,942,000 ..... 2007

158.8 The 2006 appropriation includes \$385,000 for 2005 and \$1,658,000 for 2006.

158.9 The 2007 appropriation includes \$184,000 for 2006 and ~~\$1,765,000~~ \$1,758,000

158.10 for 2007.

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

158.12 Sec. 24. Laws 2005, First Special Session chapter 5, article 8, section 8, subdivision 5,  
158.13 as amended by Laws 2006, chapter 282, article 7, section 27, is amended to read:

158.14 Subd. 5. **School-age care revenue.** For extended day aid under Minnesota Statutes,  
158.15 section 124D.22:

158.16 \$ 17,000 ..... 2006

158.17 ~~4,000~~

158.18 \$ 6,000 ..... 2007

158.19 The 2006 appropriation includes \$4,000 for 2005 and \$13,000 for 2006.

158.20 The 2007 appropriation includes \$1,000 for 2006 and ~~\$3,000~~ \$5,000 for 2007.

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

158.22 **H. SELF-SUFFICIENCY AND LIFELONG LEARNING**

158.23 Sec. 25. Laws 2005, First Special Session chapter 5, article 9, section 4, subdivision 2,  
158.24 is amended to read:

158.25 Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota  
158.26 Statutes:

158.27 \$ 36,518,000 ..... 2006

158.28 ~~36,540,000~~

158.29 \$ 37,486,000 ..... 2007

158.30 The 2006 appropriation includes \$5,707,000 for 2005 and \$30,811,000 for 2006.

158.31 The 2007 appropriation includes ~~\$5,737,000~~ \$3,654,000 for 2006 and ~~\$30,803,000~~

158.32 \$33,832,000 for 2007.

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

**ARTICLE 9****TECHNICAL AND CONFORMING AMENDMENTS**

Section 1. Minnesota Statutes 2006, section 122A.628, subdivision 2, is amended to read:

Subd. 2. **Revenue.** A school district that is selected to participate in the schools mentoring schools program under this section may utilize its professional compensation revenue under section ~~122A.4142~~ 122A.414, subdivision 4, to pay regional training sites for staff development and training services.

Sec. 2. Minnesota Statutes 2006, section 123A.73, subdivision 8, is amended to read:

Subd. 8. **Taxable property.** As of the effective date of a consolidation of districts or the dissolution of a district and its attachment to one or more existing districts pursuant to chapter 123A, ~~and subject to the conditions of section 126C.42, subdivision 1,~~ all the taxable property which is in the newly created or enlarged district and which was previously taxable for the payment of any statutory operating debt theretofore incurred by any preexisting district of which the taxable property was a part prior to the consolidation or dissolution and attachment shall remain taxable for the payment of that debt and shall not become taxable for the payment of any statutory operating debt theretofore incurred by any preexisting district of which the taxable property was not a part prior to the consolidation or dissolution and attachment. The amount of statutory operating debt attributable to that taxable property and to the newly created or enlarged district in which it is located, and the amount of a preexisting district's reserved fund balance reserve account for purposes of statutory operating debt reduction attributable to the newly created or enlarged district, shall be apportioned according to the proportion which the adjusted net tax capacity of that part of the preexisting district bears to the total adjusted net tax capacity of the entire preexisting district at the time of the consolidation or dissolution and attachment. This apportionment shall be made by the county auditor and shall be incorporated as an annex to the order of the commissioner dividing the assets and liabilities of the component districts. As used in this section, "statutory operating debt" shall have the meaning given it in section 123B.81.

Sec. 3. Minnesota Statutes 2006, section 123B.79, subdivision 6, is amended to read:

Subd. 6. **Account transfer for statutory operating debt.** On June 30 of each year, a district may make a permanent transfer from the general fund account entitled "net unreserved general fund balance since statutory operating debt" to the account entitled

160.1 "reserved fund balance reserve account for purposes of statutory operating debt reduction."  
160.2 The amount of the transfer is limited to ~~the lesser of (a) the net unreserved general fund~~  
160.3 ~~balance, or (b) the sum of the remaining statutory operating debt levies authorized for all~~  
160.4 ~~future years according to section 126C.42, subdivision 1.~~ If the net unreserved general  
160.5 fund balance is less than zero, the district may not make a transfer.

160.6 Sec. 4. Minnesota Statutes 2006, section 123B.81, subdivision 2, is amended to read:

160.7 Subd. 2. **Statutory operating debt.** If the amount of the operating debt is more  
160.8 than 2-1/2 percent of the most recent fiscal year's expenditure amount for the funds  
160.9 considered under subdivision 1, the net negative undesignated fund balance is defined as  
160.10 "statutory operating debt" for the purposes of this section and ~~sections~~ section 123B.83  
160.11 ~~and 126C.42, subdivision 1.~~

160.12 Sec. 5. Minnesota Statutes 2006, section 123B.81, subdivision 4, is amended to read:

160.13 Subd. 4. **Debt elimination.** If an audit or other verification procedure conducted  
160.14 pursuant to subdivision 3 determines that a statutory operating debt exists, a district must  
160.15 follow the procedures set forth in this section ~~126C.42, subdivision 1~~, to eliminate this  
160.16 statutory operating debt.

160.17 Sec. 6. Minnesota Statutes 2006, section 123B.81, subdivision 7, is amended to read:

160.18 Subd. 7. **Applicability.** This section ~~and the provisions of section 126C.42,~~  
160.19 ~~subdivision 1, are~~ is applicable only to common, independent, and special school districts  
160.20 and districts formed pursuant to Laws 1967, chapter 822, as amended, and Laws 1969,  
160.21 chapters 775 and 1060, as amended. This section ~~and the provisions of section 126C.42,~~  
160.22 ~~subdivision 1, do~~ does not apply to Independent School District No. 625.

160.23 Sec. 7. Minnesota Statutes 2006, section 123B.83, subdivision 2, is amended to read:

160.24 Subd. 2. **Net unreserved general fund balances.** A school district must limit its  
160.25 expenditures so that its net unreserved general fund balance does not constitute statutory  
160.26 operating debt ~~as defined in section 126C.42~~ under section 123B.81.

160.27 Sec. 8. Minnesota Statutes 2006, section 124D.34, subdivision 7, is amended to read:

160.28 Subd. 7. **Foundation staff.** The commissioner of education shall appoint the  
160.29 executive director of the foundation from three candidates nominated and submitted by the  
160.30 foundation board of directors and, as necessary, other staff who shall perform duties and  
160.31 have responsibilities solely related to the foundation. The employees appointed are not

161.1 state employees under chapter 43A, but are covered under section 3.736. The employees  
161.2 may participate in the state health and state insurance plans for employees in unclassified  
161.3 service. The employees shall be supervised by the executive director.

161.4 The commissioner shall appoint ~~from the Office of Lifework Development~~ a liaison  
161.5 to the foundation board from the division in the department responsible for career and  
161.6 technical education.

161.7 Sec. 9. Minnesota Statutes 2006, section 124D.65, subdivision 11, is amended to read:

161.8 Subd. 11. **Allocations from cooperative units.** For the purposes of this section  
161.9 ~~and section 125A.77~~, pupils of limited English proficiency enrolled in a cooperative  
161.10 or intermediate school district unit shall be counted by the school district of residence,  
161.11 and the cooperative unit shall allocate its approved expenditures for limited English  
161.12 proficiency programs among participating school districts. Limited English proficiency  
161.13 aid for services provided by a cooperative or intermediate school district shall be paid to  
161.14 the participating school districts.

161.15 Sec. 10. Minnesota Statutes 2006, section 125A.39, is amended to read:

161.16 **125A.39 LOCAL INTERAGENCY AGREEMENTS.**

161.17 School boards and the county board may enter into agreements to cooperatively  
161.18 serve and provide funding for children with disabilities, under age five, and their families  
161.19 within a specified geographic area.

161.20 The local interagency agreement must address, at a minimum, the following issues:

161.21 (1) responsibilities of local agencies on local interagency early intervention  
161.22 committees (IEIC's), consistent with section 125A.38;

161.23 (2) assignment of financial responsibility for early intervention services;

161.24 (3) methods to resolve intraagency and interagency disputes;

161.25 (4) identification of current resources and recommendations about the allocation of  
161.26 additional state and federal early intervention funds under the auspices of United States  
161.27 Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446) and United  
161.28 States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313);

161.29 (5) data collection; and

161.30 (6) other components of the local early intervention system consistent with Public  
161.31 Law 102-119.

161.32 Sec. 11. Minnesota Statutes 2006, section 125A.42, is amended to read:

161.33 **125A.42 PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS.**

162.1 (a) This section applies to local school and county boards for children from birth  
162.2 through age two who are eligible for Part H C, Public Law ~~102-119~~ 108-446, and their  
162.3 families. This section must be consistent with the Individuals with Disabilities Education  
162.4 Act, United States Code, title 20, sections 1471 to 1485 (Part H C, Public Law ~~102-119~~  
162.5 108-446), regulations adopted under United States Code, title 20, sections 1471 to 1485,  
162.6 and sections 125A.259 to 125A.48.

162.7 (b) A parent has the right to:

162.8 (1) inspect and review early intervention records;

162.9 (2) prior written notice of a proposed action in the parents' native language unless it  
162.10 is clearly not feasible to do so;

162.11 (3) give consent to any proposed action;

162.12 (4) selectively accept or decline any early intervention service; and

162.13 (5) resolve issues regarding the identification, evaluation, or placement of the child,  
162.14 or the provision of appropriate early intervention services to the child and the child's  
162.15 family through an impartial due process hearing pursuant to section 125A.46.

162.16 (c) The eligible child has the right to have a surrogate parent appointed by a school  
162.17 district as required by section 125A.07.

162.18 Sec. 12. Minnesota Statutes 2006, section 125A.44, is amended to read:

162.19 **125A.44 COMPLAINT PROCEDURE.**

162.20 (a) An individual or organization may file a written signed complaint with the  
162.21 commissioner of the state lead agency alleging that one or more requirements of the Code  
162.22 of Federal Regulations, title 34, part 303, is not being met. The complaint must include:

162.23 (1) a statement that the state has violated the Individuals with Disabilities Education  
162.24 Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~  
162.25 108-446) or Code of Federal Regulations, title 34, section 303; and

162.26 (2) the facts on which the complaint is based.

162.27 (b) The commissioner of the state lead agency shall receive and coordinate with  
162.28 other state agencies the review and resolution of a complaint within 60 calendar days  
162.29 according to the state interagency agreement required under section 125A.48. The  
162.30 development and disposition of corrective action orders for nonschool agencies shall be  
162.31 determined by the State Agency Committee (SAC). Failure to comply with corrective  
162.32 orders may result in fiscal actions or other measures.

162.33 Sec. 13. Minnesota Statutes 2006, section 125A.45, is amended to read:

162.34 **125A.45 INTERAGENCY DISPUTE PROCEDURE.**

163.1 (a) A dispute between a school board and a county board that is responsible for  
163.2 implementing the provisions of section 125A.29 regarding early identification, child and  
163.3 family assessment, service coordination, and IFSP development and implementation must  
163.4 be resolved according to this subdivision when the dispute involves services provided  
163.5 to children and families eligible under the Individuals with Disabilities Education Act,  
163.6 United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446).

163.7 (b) A dispute occurs when the school board and county board are unable to agree as  
163.8 to who is responsible to coordinate, provide, pay for, or facilitate payment for services  
163.9 from public and private sources.

163.10 (c) Written and signed disputes must be filed with the local primary agency.

163.11 (d) The local primary agency must attempt to resolve the matter with the involved  
163.12 school board and county board and may request mediation from the commissioner of the  
163.13 state lead agency for this purpose.

163.14 (e) When interagency disputes have not been resolved within 30 calendar days, the  
163.15 local primary agency must request the commissioner of the state lead agency to review  
163.16 the matter with the commissioners of health and human services and make a decision.  
163.17 The commissioner must provide a consistent process for reviewing those procedures. The  
163.18 commissioners' decision is binding subject to the right of an aggrieved party to appeal to  
163.19 the state Court of Appeals.

163.20 (f) The local primary agency must ensure that eligible children and their families  
163.21 receive early intervention services during resolution of a dispute. While a local dispute is  
163.22 pending, the local primary agency must either assign financial responsibility to an agency  
163.23 or pay for the service from the early intervention account under section 125A.35. If in  
163.24 resolving the dispute, it is determined that the assignment of financial responsibility was  
163.25 inappropriate, the responsibility for payment must be reassigned to the appropriate agency  
163.26 and the responsible agency must make arrangements for reimbursing any expenditures  
163.27 incurred by the agency originally assigned financial responsibility.

163.28 Sec. 14. Minnesota Statutes 2006, section 125B.15, is amended to read:

163.29 **125B.15 INTERNET ACCESS FOR STUDENTS.**

163.30 (a) Recognizing the difference between school libraries, school computer labs, and  
163.31 school media centers, which serve unique educational purposes, and public libraries,  
163.32 which are designed for public inquiry, all computers at a school site with access to the  
163.33 Internet available for student use must be equipped to restrict, including by use of  
163.34 available software filtering technology or other effective methods, all student access

164.1 to material that is reasonably believed to be obscene or child pornography or material  
164.2 harmful to minors under federal or state law.

164.3 (b) A school site is not required to purchase filtering technology if the school site  
164.4 would incur more than incidental expense in making the purchase.

164.5 (c) A school district receiving technology revenue under section ~~125B.25~~ 125B.26  
164.6 must prohibit, including through use of available software filtering technology or other  
164.7 effective methods, adult access to material that under federal or state law is reasonably  
164.8 believed to be obscene or child pornography.

164.9 (d) A school district, its agents or employees, are immune from liability for failure  
164.10 to comply with this section if they have made a good faith effort to comply with the  
164.11 requirements of this section.

164.12 (e) "School site" means an education site as defined in section 123B.04, subdivision  
164.13 1, or charter school under section 124D.10.

164.14 Sec. 15. Minnesota Statutes 2006, section 126C.01, subdivision 9, is amended to read:

164.15 Subd. 9. **Training and experience index.** "Training and experience index"  
164.16 means a measure of a district's teacher training and experience relative to the education  
164.17 and experience of teachers in the state. The measure must be determined pursuant to  
164.18 Minnesota Statutes 1996, section 126C.11.

164.19 Sec. 16. Minnesota Statutes 2006, section 126C.05, subdivision 1, is amended to read:

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

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

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



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

165.5 (d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a  
165.6 pupil unit for fiscal year 2000 and thereafter.

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

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

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

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

165.14 Sec. 17. Minnesota Statutes 2006, section 126C.48, subdivision 7, is amended to read:

165.15 Subd. 7. **Reporting.** For each tax settlement, the county auditor shall report  
165.16 to each school district by fund, the district tax settlement revenue defined in section  
165.17 123B.75, subdivision 5, paragraph (a), ~~and the amount levied pursuant to section 126C.42,~~  
165.18 ~~subdivision 1,~~ on the form specified in section 276.10. The county auditor shall send to  
165.19 the district a copy of the spread levy report specified in section 275.124.

165.20 Sec. 18. Minnesota Statutes 2006, section 134.355, subdivision 9, is amended to read:

165.21 Subd. 9. **Telecommunications aid.** An application for regional library  
165.22 telecommunications aid must, at a minimum, contain information to document the  
165.23 following:

165.24 (1) the connections are adequate and employ an open network architecture that  
165.25 will ensure interconnectivity and interoperability with school districts, postsecondary  
165.26 education, or other governmental agencies;

165.27 (2) that the connection is established through the most cost-effective means and that  
165.28 the regional library has explored and coordinated connections through school districts,  
165.29 postsecondary education, or other governmental agencies;

165.30 (3) that the regional library system has filed an e-rate application; and

165.31 (4) other information, as determined by the commissioner of ~~children, families, and~~  
165.32 ~~learning education~~, to ensure that connections are coordinated, efficient, and cost-effective,  
165.33 take advantage of discounts, and meet applicable state standards.

166.1 The library system may include costs associated with cooperative arrangements with  
166.2 postsecondary institutions, school districts, and other governmental agencies.

166.3 Sec. 19. **REPEALER.**

166.4 Minnesota Statutes 2006, sections 123A.22, subdivision 11; and 123B.81,  
166.5 subdivision 8, are repealed.

## 166.6 ARTICLE 10

### 166.7 PUPIL TRANSPORTATION STANDARDS

166.8 Section 1. Minnesota Statutes 2006, section 123B.88, subdivision 12, is amended to  
166.9 read:

166.10 Subd. 12. **Early childhood family education participants.** Districts may provide  
166.11 bus transportation along ~~regular~~ school bus routes when space is available for participants  
166.12 in early childhood family education programs and school readiness programs if these  
166.13 services do not result in an increase in the district's expenditures for transportation.  
166.14 The costs allocated to these services, as determined by generally accepted accounting  
166.15 principles, shall be considered part of the authorized cost for ~~regular~~ transportation for  
166.16 the purposes of section 123B.92.

166.17 **EFFECTIVE DATE.** This section is effective the day following final enactment  
166.18 and applies for fiscal year 2007 and later.

166.19 Sec. 2. Minnesota Statutes 2006, section 123B.90, subdivision 2, is amended to read:

166.20 Subd. 2. **Student training.** (a) Each district must provide public school pupils  
166.21 enrolled in kindergarten through grade 10 with age-appropriate school bus safety training,  
166.22 as described in this section, of the following concepts:

- 166.23 (1) transportation by school bus is a privilege and not a right;  
166.24 (2) district policies for student conduct and school bus safety;  
166.25 (3) appropriate conduct while on the school bus;  
166.26 (4) the danger zones surrounding a school bus;  
166.27 (5) procedures for safely boarding and leaving a school bus;  
166.28 (6) procedures for safe street or road crossing; and  
166.29 (7) school bus evacuation.

166.30 (b) Each nonpublic school located within the district must provide all nonpublic  
166.31 school pupils enrolled in kindergarten through grade 10 who are transported by school

167.1 bus at public expense and attend school within the district's boundaries with training as  
167.2 required in paragraph (a).

167.3 (c) Students enrolled in kindergarten through grade 6 who are transported by school  
167.4 bus and are enrolled during the first or second week of school must receive the school bus  
167.5 safety training competencies by the end of the third week of school. Students enrolled in  
167.6 grades 7 through 10 who are transported by school bus and are enrolled during the first or  
167.7 second week of school and have not previously received school bus safety training must  
167.8 receive the training or receive bus safety instructional materials by the end of the sixth  
167.9 week of school. Students taking driver's training instructional classes ~~and other students in~~  
167.10 ~~grades 9 and 10~~ must receive training in the laws and proper procedures when operating a  
167.11 motor vehicle in the vicinity of a school bus as required by section 169.446, subdivisions 2  
167.12 and 3. Students enrolled in kindergarten through grade 10 who enroll in a school after the  
167.13 second week of school and are transported by school bus and have not received training  
167.14 in their previous school district shall undergo school bus safety training or receive bus  
167.15 safety instructional materials within four weeks of the first day of attendance. Upon  
167.16 request of the superintendent of schools, the school transportation safety director in each  
167.17 district must certify to the superintendent ~~of schools annually~~ that all students transported  
167.18 by school bus within the district have received the school bus safety training according to  
167.19 this section. Upon request of the superintendent of the school district where the nonpublic  
167.20 school is located, the principal or other chief administrator of each nonpublic school must  
167.21 certify ~~annually~~ to the school transportation safety director of the district in which the  
167.22 school is located that the school's students transported by school bus at public expense  
167.23 have received training according to this section.

167.24 (d) A district and a nonpublic school with students transported by school bus at  
167.25 public expense may provide kindergarten pupils with bus safety training before the first  
167.26 day of school.

167.27 (e) A district and a nonpublic school with students transported by school bus at  
167.28 public expense may also provide student safety education for bicycling and pedestrian  
167.29 safety, for students enrolled in kindergarten through grade 5.

167.30 (f) A district and a nonpublic school with students transported by school bus at  
167.31 public expense must make reasonable accommodations for the school bus safety training  
167.32 of pupils known to speak English as a second language and pupils with disabilities.

167.33 (g) The district and a nonpublic school with students transported by school bus at  
167.34 public expense must provide students enrolled in kindergarten through grade 3 school bus  
167.35 safety training twice during the school year.

168.1 (h) A district and a nonpublic school with students transported by school bus at public  
168.2 expense must conduct a school bus evacuation drill at least once during the school year.

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

168.4 Sec. 3. Minnesota Statutes 2006, section 123B.92, subdivision 5, is amended to read:

168.5 Subd. 5. **District reports.** (a) Each district must report data to the department as  
168.6 required by the department to account for transportation expenditures.

168.7 (b) Salaries and fringe benefits of district employees whose primary duties are  
168.8 other than transportation, including central office administrators and staff, building  
168.9 administrators and staff, teachers, social workers, school nurses, and instructional aides,  
168.10 must not be included in a district's transportation expenditures, except that a district may  
168.11 include salaries and benefits according to paragraph (c) for (1) an employee designated  
168.12 as the district transportation director, (2) an employee providing direct support to the  
168.13 transportation director, or (3) an employee providing direct transportation services such as  
168.14 a bus driver or bus aide.

168.15 (c) Salaries and fringe benefits of the district employees listed in paragraph (b),  
168.16 clauses (1), (2), and (3), who work part time in transportation and part time in other areas  
168.17 must not be included in a district's transportation expenditures unless the district maintains  
168.18 documentation of the employee's time spent on pupil transportation matters in the form  
168.19 and manner prescribed by the department.

168.20 (d) Pupil transportation expenditures, excluding expenditures for capital outlay,  
168.21 leased buses, student board and lodging, crossing guards, and aides on buses, must  
168.22 be allocated among transportation categories based on cost-per-mile, cost-per-student,  
168.23 cost-per-hour, or cost-per-route, regardless of whether the transportation services are  
168.24 provided on district-owned or contractor-owned school buses. Expenditures for school  
168.25 bus driver salaries and fringe benefits may either be directly charged to the appropriate  
168.26 transportation category or may be allocated among transportation categories based  
168.27 on cost-per-mile, cost-per-student, cost-per-hour, or cost-per-route. Expenditures  
168.28 by private contractors or individuals who provide transportation exclusively in one  
168.29 transportation category must be charged directly to the appropriate transportation category.  
168.30 Transportation services provided by contractor-owned school bus companies incorporated  
168.31 under different names but owned by the same individual or group of individuals must be  
168.32 treated as the same company for cost allocation purposes.

168.33 (e) Notwithstanding paragraph (d), districts contracting for transportation services  
168.34 are exempt from the standard cost allocation method for authorized and nonauthorized  
168.35 transportation categories if the district (1) bid its contracts separately for authorized and

169.1 nonauthorized transportation categories, (2) received bids or quotes from more than one  
169.2 vendor for these transportation categories or can demonstrate that efforts were made to  
169.3 solicit bids or quotes through advertising, and (3) the district's cost-per-mile, cost-per-hour,  
169.4 or cost-per-route does not vary more than ten percent among authorized transportation  
169.5 categories, excluding expenditures for capital outlay, leased buses, student board and  
169.6 lodging, crossing guards, special equipment, and aides on buses. If the costs reported by  
169.7 the district for contractor-owned operations vary more than the parameters outlined above,  
169.8 the department shall require the district to reallocate its transportation costs, excluding  
169.9 salaries and fringe benefits of bus aids, among all categories.

169.10 **EFFECTIVE DATE.** This section is effective the day following final enactment  
169.11 and applies for fiscal year 2007 and later.

169.12 Sec. 4. Minnesota Statutes 2006, section 169.01, subdivision 6, is amended to read:

169.13 Subd. 6. **School bus.** "School bus" means a motor vehicle used to transport pupils  
169.14 to or from a school defined in section 120A.22, or to or from school-related activities, by  
169.15 the school or a school district, or by someone under an agreement with the school or a  
169.16 school district. A school bus does not include a motor vehicle transporting children to or  
169.17 from school for which parents or guardians receive direct compensation from a school  
169.18 district, a motor coach operating under charter carrier authority, a transit bus providing  
169.19 services as defined in section 174.22, subdivision 7, ~~a multifunction school activity bus~~  
169.20 ~~as defined by federal motor vehicle safety standards~~, or a vehicle otherwise qualifying  
169.21 as a type III vehicle under paragraph ~~(5)~~ (6), when the vehicle is properly registered and  
169.22 insured and being driven by an employee or agent of a school district for nonscheduled  
169.23 or nonregular transportation. A school bus may be type A, type B, type C, ~~or type D, a~~  
169.24 multifunctional school activity bus, or type III as follows:

169.25 (1) A "type A school bus" is a ~~van conversion or~~ bus constructed utilizing a cutaway  
169.26 front section vehicle with a left-side driver's door. ~~The entrance door is behind the front~~  
169.27 ~~wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight  
169.28 rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a  
169.29 GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

169.30 (2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance  
169.31 door is behind the front wheels. This definition includes two classifications: type B-I,  
169.32 with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater  
169.33 than 10,000 pounds.

169.34 (3) A "type C school bus" is constructed utilizing a chassis with a hood and front  
169.35 fender assembly. The entrance door is behind the front wheels. A "type C school bus" also

170.1 includes a cutaway truck chassis or truck chassis with cab with or without a left side door  
170.2 and with a GVWR greater than 21,500 pounds.

170.3 (4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance  
170.4 door is ahead of the front wheels.

170.5 (5) A "multifunctional school activity bus" is a bus that meets the federal motor  
170.6 vehicle safety standards definition, except for vehicles classified as type III school buses  
170.7 according to paragraph (6).

170.8 (6) Type III school buses and type III Head Start buses are restricted to passenger  
170.9 cars, station wagons, vans, and buses having a maximum manufacturer's rated seating  
170.10 capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of  
170.11 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value  
170.12 specified by the manufacturer as the loaded weight of a single vehicle. A "type III school  
170.13 bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type  
170.14 A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a  
170.15 seating capacity of ten or fewer and placed in service on or after August 1, 1999, must  
170.16 have been originally manufactured to comply with the passenger safety standards.

170.17 **EFFECTIVE DATE.** This section is effective January 1, 2008.

170.18 Sec. 5. Minnesota Statutes 2006, section 169.01, is amended by adding a subdivision  
170.19 to read:

170.20 Subd. 92. **Cellular phone.** "Cellular phone" means a cellular, analog, wireless, or  
170.21 digital telephone capable of sending or receiving telephone or text messages without  
170.22 an access line for service.

170.23 Sec. 6. Minnesota Statutes 2006, section 169.443, is amended by adding a subdivision  
170.24 to read:

170.25 Subd. 9. **Personal cellular phone call prohibition.** A school bus driver may not  
170.26 operate a school bus while communicating over, or otherwise operating, a cellular phone  
170.27 for personal reasons, whether hand-held or hands free, when the vehicle is in motion.

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

170.29 Sec. 7. Minnesota Statutes 2006, section 169.447, subdivision 2, is amended to read:

170.30 Subd. 2. **Driver seat belt.** New School buses and Head Start buses manufactured  
170.31 after December 31, 1994, must be equipped with driver seat belts and seat belt assemblies

171.1 of the type described in section 169.685, subdivision 3. School bus drivers and Head  
171.2 Start bus drivers must use these seat belts.

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

171.4 Sec. 8. Minnesota Statutes 2006, section 169.4501, subdivision 1, is amended to read:

171.5 Subdivision 1. **National standards adopted.** Except as provided in sections  
171.6 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C,  
171.7 ~~and D~~ and multifunctional school activity bus school buses used for the transportation  
171.8 of school children shall meet the requirements of the "bus chassis standards" and "bus  
171.9 body standards" in the ~~2000~~ 2005 edition of the "National School Transportation  
171.10 Specifications and Procedures" adopted by the National ~~Conference~~ Congress on School  
171.11 Transportation. Except as provided in section 169.4504, the construction, design, and  
171.12 equipment of types A, B, C, ~~and D~~ and multifunctional school activity bus school buses  
171.13 used for the transportation of students with disabilities also shall meet the requirements  
171.14 of the "specially equipped school bus standards" in the ~~2000~~ 2005 National School  
171.15 Transportation Specifications and Procedures. The "bus chassis standards," "bus body  
171.16 standards," and "specially equipped school bus standards" sections of the ~~2000~~ 2005  
171.17 edition of the "National School Transportation Specifications and Procedures" are  
171.18 incorporated by reference in this chapter.

171.19 **EFFECTIVE DATE.** This section is effective January 1, 2008.

171.20 Sec. 9. Minnesota Statutes 2006, section 169.4501, subdivision 2, is amended to read:

171.21 Subd. 2. **Applicability.** (a) The standards adopted in this section and sections  
171.22 169.4502 and 169.4503, govern the construction, design, equipment, and color of school  
171.23 buses used for the transportation of school children, when owned or leased and operated  
171.24 by a school or privately owned or leased and operated under a contract with a school.  
171.25 Each school, its officers and employees, and each person employed under the contract is  
171.26 subject to these standards.

171.27 (b) The standards apply to school buses manufactured after ~~October 31, 2004~~  
171.28 December 31, 2007. Buses complying with the standards when manufactured need not  
171.29 comply with standards established later except as specifically provided for by law.

171.30 (c) A school bus manufactured on or before ~~October 31, 2004~~ December 31,  
171.31 2007, must conform to the Minnesota standards in effect on the date the vehicle was  
171.32 manufactured except as specifically provided for in law.

172.1 (d) A new bus body may be remounted on a used chassis provided that the remounted  
172.2 vehicle meets state and federal standards for new buses which are current at the time of the  
172.3 remounting. Permission must be obtained from the commissioner of public safety before  
172.4 the remounting is done. A used bus body may not be remounted on a new or used chassis.

172.5 **EFFECTIVE DATE.** This section is effective January 1, 2008.

172.6 Sec. 10. Minnesota Statutes 2006, section 169.4502, subdivision 5, is amended to read:

172.7 Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the  
172.8 manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal  
172.9 devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the  
172.10 battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus  
172.11 with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050  
172.12 cold cranking amperes.

172.13 (b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and  
172.14 type C and D buses, the battery shall be temporarily mounted on the chassis frame. The  
172.15 final location of the battery and the appropriate cable lengths in these buses must comply  
172.16 with the SBMI design objectives booklet.

172.17 (c) All batteries shall be mounted according to chassis manufacturers'  
172.18 recommendations.

172.19 (d) In a type C bus, other than are powered by diesel fuel, a battery providing at least  
172.20 550 cold cranking amperes may be installed in the engine compartment only if used in  
172.21 combination with a generator or alternator of at least ~~120~~ 130 amperes.

172.22 (e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be  
172.23 equipped with a battery to provide a minimum of 550 cold cranking amperes only if used  
172.24 in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not  
172.25 apply to those buses with wheelchair lifts or diesel engines.

172.26 **EFFECTIVE DATE.** This section is effective January 1, 2008.

172.27 Sec. 11. Minnesota Statutes 2006, section 169.4503, subdivision 13, is amended to  
172.28 read:

172.29 Subd. 13. **Identification.** (a) Each bus shall, in the beltline, identify the school  
172.30 district serviced, or company name, or owner of the bus. Numbers necessary for  
172.31 identification must appear on the sides and rear of the bus. Symbols or letters may  
172.32 be used on the outside of the bus near the entrance door for student identification. A  
172.33 manufacturer's nameplate or logo may be placed on the bus.



173.1 (b) Effective December 31, 1994, all type A, B, C, and D buses sold must display  
173.2 lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The  
173.3 lettering shall be in two-inch black letters on school bus yellow background. This message  
173.4 shall be displayed directly below the upper window of the rear door. On rear engine buses,  
173.5 it shall be centered at approximately the same location. Only signs and lettering approved  
173.6 or required by state law may be displayed.

173.7 **EFFECTIVE DATE.** This section is effective January 1, 2008.

173.8 Sec. 12. Minnesota Statutes 2006, section 169.4503, subdivision 20, is amended to  
173.9 read:

173.10 Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats  
173.11 shall be covered with a material that has fire retardant or fire block characteristics.

173.12 (b) All seats must have a minimum cushion depth of 15 inches and a seat back  
173.13 height of at least 20 inches above the seating reference point.

173.14 **EFFECTIVE DATE.** This section is effective January 1, 2008.

173.15 Sec. 13. Minnesota Statutes 2006, section 171.02, subdivision 2, is amended to read:

173.16 Subd. 2. **Driver's license classifications, endorsements, exemptions.** (a) Drivers'  
173.17 licenses are classified according to the types of vehicles that may be driven by the holder  
173.18 of each type or class of license. The commissioner may, as appropriate, subdivide the  
173.19 classes listed in this subdivision and issue licenses classified accordingly.

173.20 (b) Except as provided in paragraph (c), clauses (1) and (2), and subdivision 2a, no  
173.21 class of license is valid to operate a motorcycle, school bus, tank vehicle, double-trailer  
173.22 or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless  
173.23 so endorsed. There are four general classes of licenses as described in paragraphs (c)  
173.24 through (f).

173.25 (c) Class D drivers' licenses are valid for:

173.26 (1) operating all farm trucks if the farm truck is:

173.27 (i) controlled and operated by a farmer, including operation by an immediate family  
173.28 member or an employee of the farmer;

173.29 (ii) used to transport agricultural products, farm machinery, or farm supplies,  
173.30 including hazardous materials, to or from a farm;

173.31 (iii) not used in the operations of a common or contract motor carrier as governed by  
173.32 Code of Federal Regulations, title 49, part 365; and

173.33 (iv) used within 150 miles of the farm;

174.1 (2) notwithstanding paragraph (b), operating an authorized emergency vehicle,  
174.2 as defined in section 169.01, subdivision 5, whether or not in excess of 26,000 pounds  
174.3 gross vehicle weight;

174.4 (3) operating a recreational vehicle as defined in section 168.011, subdivision 25,  
174.5 that is operated for personal use;

174.6 (4) operating all single-unit vehicles except vehicles with a gross vehicle weight of  
174.7 more than 26,000 pounds, vehicles designed to carry more than 15 passengers including  
174.8 the driver, and vehicles that carry hazardous materials;

174.9 (5) notwithstanding paragraph (d), operating a type A school bus or a multifunctional  
174.10 school activity bus without a school bus endorsement if:

174.11 (i) ~~the bus has a gross vehicle weight of 10,000 pounds or less;~~

174.12 ~~(ii) the bus is designed to transport 15 or fewer passengers, including the driver; and~~

174.13 ~~(iii) (ii) the requirements of subdivision 2a are satisfied, as determined by the~~  
174.14 ~~commissioner; and~~

174.15 (iii) the type A school bus or a multifunctional school activity bus has a gross vehicle  
174.16 weight of 14,500 pounds or less;

174.17 (6) operating any vehicle or combination of vehicles when operated by a licensed  
174.18 peace officer while on duty; and

174.19 (7) towing vehicles if:

174.20 (i) the towed vehicles have a gross vehicle weight of 10,000 pounds or less; or

174.21 (ii) the towed vehicles have a gross vehicle weight of more than 10,000 pounds and  
174.22 the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

174.23 (d) Class C drivers' licenses are valid for:

174.24 (1) operating class D motor vehicles;

174.25 (2) with a hazardous materials endorsement, transporting hazardous materials  
174.26 in class D vehicles; and

174.27 (3) with a school bus endorsement, operating school buses designed to transport 15  
174.28 or fewer passengers, including the driver.

174.29 (e) Class B drivers' licenses are valid for:

174.30 (1) operating all class C motor vehicles, class D motor vehicles, and all other  
174.31 single-unit motor vehicles including, with a passenger endorsement, buses; and

174.32 (2) towing only vehicles with a gross vehicle weight of 10,000 pounds or less.

174.33 (f) Class A drivers' licenses are valid for operating any vehicle or combination of  
174.34 vehicles.

174.35 **EFFECTIVE DATE.** This section is effective January 1, 2008.

175.1 Sec. 14. Minnesota Statutes 2006, section 171.02, subdivision 2a, is amended to read:

175.2 Subd. 2a. **Exception for certain school bus drivers.** Notwithstanding subdivision  
175.3 2, paragraph (c), the holder of a class D driver's license, without a school bus endorsement,  
175.4 may operate a type A school bus or a multifunctional school activity bus described in  
175.5 subdivision 2, paragraph (b), under the following conditions:

175.6 (a) The operator is an employee of the entity that owns, leases, or contracts for the  
175.7 school bus and is not solely hired to provide transportation services under this subdivision.

175.8 (b) The operator drives the school bus only from points of origin to points of  
175.9 destination, not including home-to-school trips to pick up or drop off students.

175.10 (c) The operator is prohibited from using the type A school bus eight-light system.  
175.11 Violation of this paragraph is a misdemeanor.

175.12 (d) The operator's employer has adopted and implemented a policy that provides for  
175.13 annual training and certification of the operator in:

175.14 (1) safe operation of the type of school bus the operator will be driving;

175.15 (2) understanding student behavior, including issues relating to students with  
175.16 disabilities;

175.17 (3) encouraging orderly conduct of students on the bus and handling incidents of  
175.18 misconduct appropriately;

175.19 (4) knowing and understanding relevant laws, rules of the road, and local school  
175.20 bus safety policies;

175.21 (5) handling emergency situations; and

175.22 (6) safe loading and unloading of students.

175.23 (e) A background check or background investigation of the operator has been  
175.24 conducted that meets the requirements under section 122A.18, subdivision 8, or 123B.03  
175.25 for teachers; section 144.057 or chapter 245C for day care employees; or section 171.321,  
175.26 subdivision 3, for all other persons operating a ~~type A school bus~~ vehicle under this  
175.27 subdivision.

175.28 (f) Operators shall submit to a physical examination as required by section 171.321,  
175.29 subdivision 2.

175.30 (g) The operator's driver's license is verified annually by the entity that owns, leases,  
175.31 or contracts for the ~~school bus~~ vehicle.

175.32 (h) A person who sustains a conviction, as defined under section 609.02, of violating  
175.33 section 169A.25, 169A.26, 169A.27, 169A.31, 169A.51, or 169A.52, or a similar statute  
175.34 or ordinance of another state is precluded from operating a school bus for five years  
175.35 from the date of conviction.

176.1 (i) A person who has ever been convicted of a disqualifying offense as defined in  
176.2 section 171.3215, subdivision 1, paragraph (c), may not operate a school bus under this  
176.3 subdivision.

176.4 (j) A person who sustains a conviction, as defined under section 609.02, of a fourth  
176.5 moving offense in violation of chapter 169 is precluded from operating a school bus for  
176.6 one year from the date of the last conviction.

176.7 (k) Students riding the ~~school bus~~ vehicle must have training required under section  
176.8 123B.90, subdivision 2.

176.9 (l) An operator must be trained in the proper use of child safety restraints as set  
176.10 forth in the National Highway Traffic Safety Administration's "Guideline for the Safe  
176.11 Transportation of Pre-school Age Children in School Buses;" if child safety restraints are  
176.12 used by the passengers.

176.13 (m) Annual certification of the requirements listed in this subdivision must be  
176.14 maintained under separate file at the business location for each operator licensed under  
176.15 this subdivision and subdivision 2, paragraph (b), clause (5). The business manager,  
176.16 school board, governing body of a nonpublic school, or any other entity that owns,  
176.17 leases, or contracts for the school bus operating under this subdivision is responsible  
176.18 for maintaining these files for inspection.

176.19 (n) The ~~school bus~~ vehicle must bear a current certificate of inspection issued under  
176.20 section 169.451.

176.21 (o) On a type A school bus, the word "School" on the front and rear of the bus  
176.22 must be covered by a sign that reads "Activities" when the bus is being operated under  
176.23 authority of this subdivision.

176.24 **EFFECTIVE DATE.** This section is effective January 1, 2008.

176.25 Sec. 15. Minnesota Statutes 2006, section 171.321, subdivision 4, is amended to read:

176.26 Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when  
176.27 transporting school children to or from school or upon a school-related trip or activity  
176.28 without having demonstrated sufficient skills and knowledge to transport students in  
176.29 a safe and legal manner.

176.30 (b) A bus driver must have training or experience that allows the driver to meet at  
176.31 least the following competencies:

176.32 (1) safely operate the type of school bus the driver will be driving;

176.33 (2) understand student behavior, including issues relating to students with  
176.34 disabilities;

177.1 (3) encourage orderly conduct of students on the bus and handle incidents of  
177.2 misconduct appropriately;

177.3 (4) know and understand relevant laws, rules of the road, and local school bus  
177.4 safety policies;

177.5 (5) handle emergency situations; and

177.6 (6) safely load and unload students.

177.7 (c) The commissioner of public safety shall develop a comprehensive model  
177.8 school bus driver training program and model assessments for school bus driver training  
177.9 competencies, which are not subject to chapter 14. A school district, nonpublic school, or  
177.10 private contractor may use alternative assessments for bus driver training competencies  
177.11 with the approval of the commissioner of public safety. A driver may receive at least eight  
177.12 hours of school bus in-service training any year, as an alternative to being assessed for bus  
177.13 driver competencies after the initial year of being assessed for bus driver competencies.  
177.14 The employer shall keep the assessment or a record of the in-service training for the  
177.15 current period available for inspection by representatives of the commissioner.

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

177.17 Sec. 16. **RULES REVISED: COMMISSIONER OF PUBLIC SAFETY.**

177.18 Subdivision 1. **Rules revised under the good cause exemption.** The commissioner  
177.19 of public safety must amend and adopt the revisions to the rules listed in subdivisions 2 to  
177.20 8 under the good cause exemption to the rulemaking process under Minnesota Statutes,  
177.21 section 14.388, subdivision 1, clause (3).

177.22 Subd. 2. **Minnesota Rules, part 7470.0500.** The commissioner of public safety  
177.23 must amend Minnesota Rules, part 7470.0500, by replacing two obsolete references to the  
177.24 Department of Children, Families, and Learning, with a reference to the Department of  
177.25 Public Safety and removing references to specifically repealed rules.

177.26 Subd. 3. **Minnesota Rules, part 7470.0700.** The commissioner of public safety  
177.27 must amend Minnesota Rules, part 7470.0700, as follows:

177.28 (1) for the points assigned to school bus equipment defects, strike the reference to  
177.29 "orange" school buses and include a new school bus color exemption for multifunctional  
177.30 school activity buses;

177.31 (2) replace the references to type I and type II school buses with type A, B, C,  
177.32 or D school buses;

177.33 (3) exempt multifunctional school activity buses from the point reduction for not  
177.34 having a stop arm; and

178.1 (4) exempt multifunctional school activity buses from the point reduction for not  
178.2 having an eight-lamp warning lamp system.

178.3 Subd. 4. **Minnesota Rules, part 7470.1000.** The commissioner of public safety  
178.4 must amend Minnesota Rules, part 7470.1000, to:

178.5 (1) include multifunctional school activity buses in the headnote;

178.6 (2) update subpart 1 to include multifunctional school activity buses as a type of  
178.7 school bus listed after bus types A, B, C, and D;

178.8 (3) modify subpart 2 to clarify that the prohibition against loading or unloading while  
178.9 adjacent to a turn lane applies only when it is a right-hand turn lane and does not prohibit a  
178.10 bus from loading or unloading at the side of the road when there is a center turn lane; and

178.11 (3) expand the exception that allows service dogs on school buses to include all  
178.12 companion animals.

178.13 Subd. 5. **Minnesota Rules, part 7470.1100.** The commissioner of public safety  
178.14 must amend Minnesota Rules, part 7470.1100, to include multifunctional school activity  
178.15 buses in the headnote and amend subpart 1 to include multifunctional school activity buses  
178.16 as a type of school bus listed after bus types A, B, C, and D. The commissioner must also  
178.17 amend item B of this part to require drivers to use prewarning flashing signals, flashing  
178.18 red signals, and stop signals arms on buses that are equipped with those signals.

178.19 Subd. 6. **Minnesota Rules, part 7470.1400.** The commissioner of public safety  
178.20 must amend Minnesota Rules, part 7470.1400, to clarify that the operating rules in parts  
178.21 7470.1000 to 7470.1500 apply to buses that are leased and rented as well as to school  
178.22 buses that are owned by a school district, a nonpublic school, or a private operator under  
178.23 contract to a school district or nonpublic school.

178.24 Subd. 7. **Minnesota Rules, part 7470.1500.** The commissioner of public safety  
178.25 must amend Minnesota Rules, part 7470.1500, to:

178.26 (1) clarify that the prohibition against loading or unloading while adjacent to a turn  
178.27 lane applies only when it is a right-hand turn lane and does not prohibit a bus from loading  
178.28 or unloading at the side of the road when there is a center turn lane; and

178.29 (2) delete item H because it is obsolete.

178.30 Subd. 8. **Minnesota Rules, part 7470.1700.** The commissioner of public safety  
178.31 must amend Minnesota Rules, part 7470.1700, subpart 2, to:

178.32 (1) clarify that the bus driver and the bus aide must have access to emergency health  
178.33 care information for the students with disabilities transported on the bus; and

178.34 (2) add an item E that allows the health information to be maintained either in a hard  
178.35 copy on the vehicle or immediately accessible through a two-way communications system.

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

179.1 Sec. 17. **REPEALER.**

179.2 Minnesota Statutes 2006, sections 169.4502, subdivision 15; and 169.4503,  
179.3 subdivisions 17, 18, and 26, are repealed.

179.4 **EFFECTIVE DATE.** This section is effective January 1, 2008.

179.5 **ARTICLE 11**

179.6 **EARLY CHILDHOOD AND ADULT PROGRAMS**

179.7 Section 1. Minnesota Statutes 2006, section 119A.52, is amended to read:

179.8 **119A.52 DISTRIBUTION OF APPROPRIATION.**

179.9 (a) The commissioner of education must distribute money appropriated for that  
179.10 purpose to federally designated Head Start programs to expand services and to serve  
179.11 additional low-income children. Migrant and Indian reservation programs must be initially  
179.12 allocated money based on the programs' share of federal funds. The remaining money  
179.13 must be initially allocated to the remaining local agencies based equally on the agencies'  
179.14 share of federal funds and on the proportion of eligible children in the agencies' service  
179.15 area who are not currently being served. A Head Start ~~grantee~~ program must be funded  
179.16 at a per child rate equal to its contracted, federally funded base level at the start of the  
179.17 fiscal year. In allocating funds under this paragraph, the commissioner of education  
179.18 must assure that each Head Start program in existence in 1993 is allocated no less  
179.19 funding in any fiscal year than was allocated to that program in fiscal year 1993. Before  
179.20 paying money to the programs, the commissioner must notify each program of its initial  
179.21 allocation, how the money must be used, and the number of low-income children to be  
179.22 served with the allocation based upon the federally funded per child rate. Each program  
179.23 must present a plan under section 119A.535. For any ~~grantee~~ program that cannot utilize  
179.24 its full allocation at the beginning of the fiscal year, the commissioner must reduce the  
179.25 allocation proportionately. Money available after the initial allocations are reduced must  
179.26 be redistributed to eligible ~~grantees~~ programs.

179.27 (b) The commissioner must develop procedures to make payments to programs  
179.28 based upon the number of children reported to be enrolled during the required time  
179.29 period of program operations. Enrollment is defined by federal Head Start regulations.  
179.30 The procedures must include a reporting schedule, corrective action plan requirements,  
179.31 and financial consequences to be imposed on programs that do not meet full enrollment  
179.32 after the period of corrective action. Programs reporting chronic underenrollment, as  
179.33 defined by the commissioner, will have their subsequent program year allocation reduced  
179.34 proportionately. Funds made available by prorating payments and allocations to programs

180.1 with reported underenrollment will be made available to the extent funds exist to fully  
180.2 enrolled Head Start programs through a form and manner prescribed by the department.

180.3 Sec. 2. Minnesota Statutes 2006, section 119A.535, is amended to read:

180.4 **119A.535 APPLICATION REQUIREMENTS.**

180.5 Eligible Head Start organizations must submit a plan to the department for approval  
180.6 on a form and in the manner prescribed by the commissioner. The plan must include:

180.7 (1) the ~~estimated~~ number of low-income children and families the program will be  
180.8 able to serve;

180.9 (2) a description of the program design and service delivery area which meets the  
180.10 needs of and encourages access by low-income working families;

180.11 (3) a program design that ensures fair and equitable access to Head Start services for  
180.12 all populations and parts of the service area;

180.13 (4) a plan for ~~coordinating services to maximize assistance for child care costs~~  
180.14 ~~available to families under chapter 119B~~ providing Head Start services in conjunction with  
180.15 full-day child care programs to minimize child transitions, increase program intensity and  
180.16 duration, and improve child and family outcomes as required in section 119A.5411; and

180.17 (5) identification of regular Head Start, early Head Start, full-day services identified  
180.18 in section 119A.5411, and innovative services based upon demonstrated needs to be  
180.19 provided.

180.20 Sec. 3. **[119A.5411] FULL-DAY REQUIREMENTS.**

180.21 The following phase-in of full-day services in Head Start programs or licensed child  
180.22 care as defined in chapter 245A is required:

180.23 (1) by fiscal year 2009, a minimum of 25 percent of the total state-funded enrollment  
180.24 throughout the state must be provided in full-day services;

180.25 (2) by fiscal year 2011, a minimum of 40 percent of the total state-funded enrollment  
180.26 throughout the state must be provided in full-day services; and

180.27 (3) by fiscal year 2013, a minimum of 50 percent of the total state-funded enrollment  
180.28 throughout the state must be provided in full-day services.

180.29 Head Start programs may provide full-day services as part of their own program  
180.30 model or through agreements with licensed full-day child care programs. If licensed child  
180.31 care providers do not exist in a geographic area, choose not to participate, cannot meet  
180.32 the federal Head Start performance standards after sufficient opportunity, or a Head Start  
180.33 program is unable to establish the full-day services as a part of their own program model,  
180.34 the Head Start program may request exemption from the commissioner.



181.1 Sec. 4. Minnesota Statutes 2006, section 121A.17, subdivision 5, is amended to read:

181.2 Subd. 5. **Developmental screening program information.** The board must inform  
181.3 each resident family with a child eligible to participate in the developmental screening  
181.4 program about the availability of the program and the state's requirement that a child  
181.5 receive a developmental screening or provide health records indicating that the child  
181.6 received a comparable developmental screening from a public or private health care  
181.7 organization or individual health care provider not later than 30 days after the first  
181.8 day of attending kindergarten in a public school. A school district must inform all  
181.9 resident families with eligible children under age seven that their children may receive a  
181.10 developmental screening conducted either by the school district or by a public or private  
181.11 health care organization or individual health care provider. The notice must also provide  
181.12 that the family has a right not to have the child screened if the family has conscientiously  
181.13 held beliefs.

181.14 Sec. 5. Minnesota Statutes 2006, section 124D.13, subdivision 1, is amended to read:

181.15 Subdivision 1. **Establishment; purpose.** A district that provides a community  
181.16 education program under sections 124D.18 and 124D.19 may establish an early childhood  
181.17 family education program. Two or more districts, each of which provides a community  
181.18 education program, may cooperate to jointly provide an early childhood family education  
181.19 program. The purpose of the early childhood family education program is to provide  
181.20 parenting education to support children's learning and development.

181.21 Sec. 6. Minnesota Statutes 2006, section 124D.13, subdivision 2, is amended to read:

181.22 Subd. 2. **Program characteristics requirements.** (a) Early childhood family  
181.23 education programs are programs for children in the period of life from birth to  
181.24 kindergarten, for the parents and other relatives of these children, and for expectant  
181.25 parents. To the extent that funds are insufficient to provide programs for all children, early  
181.26 childhood family education programs should emphasize programming for ~~a child~~ children  
181.27 from birth to age three, and encourage parents and other relatives to for children at risk  
181.28 of not being ready for kindergarten and the children's parents. Program providers also  
181.29 are encouraged to involve four- and five-year-old children and their families in school  
181.30 readiness programs, and other public and nonpublic early learning programs. A district  
181.31 may not limit participation to school district residents. Early childhood family education  
181.32 programs ~~may include the following~~ must provide:

181.33 (1) programs to educate parents and other relatives about the physical, mental,  
181.34 and emotional development of children;

182.1 ~~(2) programs to enhance the skills of parents and other relatives in providing for their~~  
 182.2 ~~children's learning and development~~ structured learning activities requiring interaction  
 182.3 between children and their parents or relatives;

182.4 ~~(3) structured learning experiences~~ activities for children ~~and parents and other~~  
 182.5 ~~relatives~~ that promote children's development and positive interaction with peers, which  
 182.6 are held while parents or relatives attend parent education classes;

182.7 ~~(4) activities designed to detect children's physical, mental, emotional, or behavioral~~  
 182.8 ~~problems that may cause learning problems;~~

182.9 ~~(5) activities and materials designed to encourage self-esteem, skills, and behavior~~  
 182.10 ~~that prevent sexual and other interpersonal violence;~~

182.11 ~~(6) educational materials which may be borrowed for home use;~~

182.12 ~~(7)~~ (4) information on related community resources;

182.13 ~~(8) programs to prevent~~ (5) information, materials, and activities that support the  
 182.14 safety of children, including prevention of child abuse and neglect; and

182.15 ~~(9) other programs or activities to improve the health, development, and school~~  
 182.16 ~~readiness of children; or~~

182.17 ~~(10) activities designed to maximize development during infancy.~~

182.18 (6) a community outreach plan to ensure participation by families who reflect the  
 182.19 racial, cultural, and economic diversity of the school district.

182.20 The programs must not include activities for children that do not require substantial  
 182.21 involvement of the children's parents or other relatives. The ~~programs~~ program must be  
 182.22 reviewed periodically to assure the instruction and materials are not racially, culturally, or  
 182.23 sexually biased. The programs must encourage parents to be aware of practices that may  
 182.24 affect equitable development of children.

182.25 (b) For the purposes of this section, "relative" or "relatives" means noncustodial  
 182.26 grandparents or other persons related to a child by blood, marriage, adoption, or foster  
 182.27 placement, excluding parents.

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

182.29 Sec. 7. Minnesota Statutes 2006, section 124D.13, subdivision 11, is amended to read:

182.30 Subd. 11. **Teachers and coordinators.** A school board must employ necessary  
 182.31 qualified teachers licensed in early childhood or parent education for its early childhood  
 182.32 family education programs. Coordinators of early childhood family education programs  
 182.33 shall meet, as a minimum, the licensure requirements for a teacher within the ECPE  
 182.34 program.

183.1 Sec. 8. Minnesota Statutes 2006, section 124D.13, is amended by adding a subdivision  
183.2 to read:

183.3 Subd. 13. **Plan and program data submission requirements.** (a) An early  
183.4 childhood family education program must submit a biennial plan addressing the  
183.5 requirements of subdivision 2 for approval by the commissioner. The plan must also  
183.6 describe how the program provides parenting education and ensures participation of  
183.7 families representative of the school district. A school district must submit the plan for  
183.8 approval by the commissioner in the form and manner prescribed by the commissioner.  
183.9 One-half of districts, as determined by the commissioner, must first submit a biennial plan  
183.10 by April 1, 2009, and the remaining districts must first submit a plan by April 1, 2010.

183.11 (b) Districts receiving early childhood family education revenue under section  
183.12 124D.135 must submit annual program data to the department by July 15 in the form and  
183.13 manner prescribed by the commissioner.

183.14 (c) Beginning with levies for fiscal year 2011, a school district must submit its annual  
183.15 program data to the department before it may certify a levy under section 124D.135.  
183.16 Districts selected by the commissioner to submit a biennial plan by April 1, 2010, must  
183.17 also have an approved plan on file with the commissioner before certifying a levy under  
183.18 section 124D.135 for fiscal year 2011. Beginning with levies for fiscal year 2012, all  
183.19 districts must submit annual program data and have an approved biennial plan on file with  
183.20 the commissioner before certifying a levy under section 124D.135.

183.21 Sec. 9. Minnesota Statutes 2006, section 124D.135, subdivision 1, is amended to read:

183.22 Subdivision 1. **Revenue.** The revenue for early childhood family education  
183.23 programs for a school district equals \$112 for fiscal year 2007 and \$120 for fiscal year  
183.24 2008 and later, times the greater of:

183.25 (1) 150; or

183.26 (2) the number of people under five years of age residing in the district on October 1  
183.27 of the previous school year.

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

183.29 Sec. 10. Minnesota Statutes 2006, section 124D.135, subdivision 3, is amended to read:

183.30 Subd. 3. **Early childhood family education levy.** ~~For fiscal year 2001 to obtain~~  
183.31 ~~early childhood family education revenue, a district may levy an amount equal to the tax~~  
183.32 ~~rate of .5282 percent times the adjusted tax capacity of the district for the year preceding~~  
183.33 ~~the year the levy is certified. Beginning with levies for fiscal year 2002, By September~~  
183.34 ~~30 of each year, the commissioner shall establish a tax rate for early childhood family~~

184.1 education revenue that raises ~~\$21,027,000 for fiscal year 2002 and~~ \$22,135,000 in each  
184.2 fiscal year 2003 and each subsequent year. If the amount of the early childhood family  
184.3 education levy would exceed the early childhood family education revenue, the early  
184.4 childhood family education levy must equal the early childhood family education revenue.  
184.5 Beginning with levies for fiscal year 2011, a district may not certify an early childhood  
184.6 family education levy unless it has met the annual program data reporting and biennial  
184.7 plan requirements under section 124D.13, subdivision 13.

184.8 Sec. 11. Minnesota Statutes 2006, section 124D.135, subdivision 5, is amended to read:

184.9 Subd. 5. **Use of revenue restricted.** (a) Early childhood family education revenue  
184.10 may be used only for early childhood family education programs.

184.11 (b) Not more than five percent of early childhood family education revenue, as  
184.12 defined in subdivision 7, may be used to administer early childhood family education  
184.13 programs.

184.14 (c) An early childhood family education program may use up to ten percent of its  
184.15 early childhood family education revenue as defined in subdivision 1, including revenue  
184.16 from participant fees, for equipment that is used in the early childhood family education  
184.17 program. This revenue may only be used for the following purposes:

184.18 (1) to purchase or lease computers and related materials; and

184.19 (2) to purchase or lease equipment for instruction for participating children and  
184.20 their families.

184.21 If a district anticipates an unusual circumstance requiring its early childhood family  
184.22 education program capital expenditures to exceed the ten percent limitation, prior approval  
184.23 to exceed the limit must be obtained in writing from the commissioner.

184.24 Sec. 12. **[124D.141] STATE ADVISORY BOARD ON SCHOOL READINESS.**

184.25 Subdivision 1. **Establishment.** A 13-member State Advisory Board on School  
184.26 Readiness is established in the Office of the Governor to advise the governor and the  
184.27 legislature on developing a coordinated, efficient, and cost-effective system for delivering  
184.28 throughout Minnesota early childhood programs that focus on early care and education,  
184.29 health care, and family support.

184.30 Subd. 2. **Board members; terms.** (a) The advisory board includes the following  
184.31 13 members:

184.32 (1) the commissioner of employment and economic development or the  
184.33 commissioner's designee;

184.34 (2) the commissioner of health or the commissioner's designee;

185.1 (3) the commissioner of education or the commissioner's designee;  
185.2 (4) the commissioner of human services or the commissioner's designee;  
185.3 (5) six public members, one of whom is the parent of a child currently enrolled  
185.4 in an early care and education program, five of whom are recognized experts in early  
185.5 care and education, one of whom is a higher education representative, one of whom is a  
185.6 licensed professional who currently provides student support services, and one of whom  
185.7 is a currently practicing early childhood educator, appointed jointly by the majority and  
185.8 minority leaders in the house of representatives and senate; and

185.9 (6) three public members who are community or business leaders, one of whom  
185.10 is a member of the Minnesota Early Learning Foundation board of directors under  
185.11 section 124D.175, appointed jointly by the speaker and minority leader in the house of  
185.12 representatives and the majority and minority leaders in the senate.

185.13 (b) Members appointed by the speaker and minority leader in the house of  
185.14 representatives and the majority and minority leaders in the senate serve staggered  
185.15 three-year terms. Board members must nominate and elect a chair and other officers  
185.16 from among the public members. Members initially appointed to the board shall assign  
185.17 themselves by lot to terms of one, two, or three years. The chair must notify the governor  
185.18 on the assignment of these terms. The board shall meet regularly at the times and places  
185.19 the board determines. Meetings shall be called by the chair or at the written request of  
185.20 any three members. Members' terms, compensation, removal, and vacancies are governed  
185.21 by section 15.0575.

185.22 Subd. 3. **Duties.** (a) The board shall recommend to the governor and the legislature:

185.23 (1) the most effective method to improve the coordination and delivery of early care  
185.24 and education services that integrates child care, early care and education programs,  
185.25 and family support services and programs;

185.26 (2) a multiyear plan for effectively and efficiently coordinating and integrating  
185.27 state services for early care and education, improving service delivery and standards  
185.28 of care, avoiding duplication and fragmentation of service, and enhancing public and  
185.29 private investment;

185.30 (3) methods for measuring the quality, quantity, and effectiveness of early care and  
185.31 education programs throughout the state;

185.32 (4) how to identify and measure school readiness indicators on a regular basis;

185.33 (5) how to track, enhance, integrate, and coordinate federal, state, and local funds  
185.34 allocated for early care and education and related family support services;

185.35 (6) policy changes to improve children's ability to start school ready to learn; and

186.1 (7) how to provide technical assistance to community efforts that promote school  
186.2 readiness and encourage community organizations to collaborate in promoting school  
186.3 readiness.

186.4 (b) In developing recommendations for the governor and the legislature under this  
186.5 section, the board must evaluate on an ongoing basis:

186.6 (1) what government can do to enhance families' capacity to help themselves and  
186.7 others; and

186.8 (2) the positive or negative effects of policies and programs recommended under this  
186.9 section on families affected by these programs.

186.10 (c) The board shall convene policy work groups as necessary to make  
186.11 recommendations to the governor and the legislature on:

186.12 (1) financing early childhood programs;

186.13 (2) building a coordinated service delivery system based on an assessment of early  
186.14 childhood systems and available state and federal funding;

186.15 (3) integrating a coordinated, collaborative health care component, including  
186.16 medical homes, parent education, family support, developmental health and early  
186.17 education, into early childhood programs and avoiding duplication of services;

186.18 (4) enhancing the quality and measuring the cost of child care and preschool  
186.19 programs; and

186.20 (5) improving the wages, benefits, and supply of early childhood professionals.

186.21 Subd. 4. **Report.** The task force annually by February 15 must report to the  
186.22 education policy and finance committees of the legislature on the recommendations the  
186.23 task force made during the preceding calendar year.

186.24 Subd. 5. **Board expiration.** The State Advisory Board on School Readiness  
186.25 expires January 1, 2013.

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

186.27 Sec. 13. Minnesota Statutes 2006, section 124D.16, subdivision 2, is amended to read:

186.28 Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid  
186.29 for eligible prekindergarten pupils enrolled in a school readiness program under section  
186.30 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been  
186.31 approved by the commissioner.

186.32 (b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid  
186.33 equal to:

186.34 (1) the number of four-year-old children in the district on October 1 for the previous  
186.35 school year times the ratio of 50 percent of the total school readiness aid entitlement for

187.1 that year to the total number of four-year-old children reported to the commissioner for the  
187.2 previous school year; plus

187.3 (2) the number of pupils enrolled in the school district from families eligible for the  
187.4 free or reduced school lunch program for the previous school year times the ratio of 50  
187.5 percent of the total school readiness aid entitlement for that year to the total number of  
187.6 pupils in the state from families eligible for the free or reduced school lunch program for  
187.7 the previous school year.

187.8 (c) For fiscal year 2008 and later, the total statewide school readiness aid entitlement  
187.9 equals \$10,095,000.

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

187.11 Sec. 14. **[124D.1625] EXPANDING DEPARTMENT DEVELOPMENTAL**  
187.12 **ASSESSMENT ADMINISTERED TO ENTERING KINDERGARTNERS.**

187.13 (a) The commissioner of education shall encourage school districts to implement the  
187.14 voluntary school readiness kindergarten assessment initiative in the 2008-2009 school  
187.15 year, to assess up to 30 percent of children.

187.16 (b) The commissioner must report the assessment results for the current school year  
187.17 to the legislature by January 1 of the next year.

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

187.19 Sec. 15. **[124D.163] TARGETED TRAINING OF EARLY CHILDHOOD**  
187.20 **PROFESSIONALS TO IMPROVE SCHOOL READINESS.**

187.21 Subdivision 1. **Establishment; purpose.** The commissioner of education shall  
187.22 provide a training program for the purpose of improving the school readiness of  
187.23 prekindergarten children.

187.24 Subd. 2. **Eligible participants.** The training program is available to all staff in  
187.25 school readiness programs as defined in section 124D.15, Head Start programs as defined  
187.26 in section 119A.50, and child care centers as defined in chapter 245A. The commissioner  
187.27 of education shall cooperate with the commissioner of human services to identify child  
187.28 care center program and licensed family child care provider participants and implement  
187.29 the training program for them.

187.30 Subd. 3. **Training content.** The commissioner shall develop three foundational  
187.31 and sequential training modules on child observation, child and program assessment,  
187.32 and curriculum planning.

188.1        Subd. 4. **Availability.** To the extent practical, the training must be made available  
188.2 throughout the state on an ongoing basis. In addition to the geographic availability, the  
188.3 commissioner shall consider the availability of training to meet the needs of diverse  
188.4 cultural groups. Training materials may be translated and training may be delivered in  
188.5 other languages as determined by the commissioner. The training may be provided  
188.6 through a variety of methods that may include on-site and Web-based delivery.

188.7        Sec. 16. **[124D.165] EARLY CHILDHOOD SCHOLARSHIPS.**

188.8        Subdivision 1. **Purpose.** The commissioner must establish an early childhood  
188.9 scholarship fund to improve the school readiness of prekindergarten children at risk  
188.10 of being unprepared for kindergarten. Scholarships are available for the purpose of  
188.11 participating in an approved program as specified in subdivision 4 the year prior to  
188.12 kindergarten entrance.

188.13        Subd. 2. **Eligibility.** A parent or legal guardian of a four-year-old child with a  
188.14 household income that does not exceed 185 percent of the federal poverty guidelines,  
188.15 adjusted for family size, is eligible to apply for an annual scholarship of up to \$4,000 for  
188.16 each eligible child.

188.17        Subd. 3. **Scholarship application, award, and process.** Parents or guardians  
188.18 meeting the eligibility requirements defined in subdivision 2 may apply for a scholarship  
188.19 certificate. Application must be made according to the form and manner prescribed by the  
188.20 commissioner. The certificates must be redeemable for instruction at an approved early  
188.21 childhood program, as specified in subdivision 4, for up to one year from the date of  
188.22 issue or until the child for whom the scholarship is designated enrolls in kindergarten,  
188.23 whichever occurs first. The commissioner shall annually award scholarship certificates to  
188.24 eligible applicants in the order applications are received until all funds available for the  
188.25 year have been obligated. Recipients may not transfer a scholarship certificate to another  
188.26 person. The parent or guardian may transfer the scholarship certificate to another approved  
188.27 early childhood program according to requirements established by the commissioner.

188.28        Subd. 4. **Program approval.** A program must be approved by the commissioner  
188.29 to be eligible to receive state early childhood scholarship program funds on behalf of  
188.30 an enrolled scholarship certificate recipient. Early childhood programs must apply for  
188.31 approval in the form and manner prescribed by the commissioner and must be:

- 188.32        (1) a federally designated Head Start program as defined in section 119A.50;  
188.33        (2) a school readiness program as defined in section 124D.15; or  
188.34        (3) a licensed child care program as defined in chapter 245A.



189.1 The application must include evidence that the program provides research-based  
189.2 instruction to support school readiness. Programs must submit any program changes  
189.3 related to approval as they occur and must reapply for approval every three years.

189.4 Subd. 5. **Payments to approved programs.** The commissioner shall issue  
189.5 payments of scholarship funds on a reimbursement basis to approved programs as defined  
189.6 in subdivision 4 for services provided that are comparable to service costs for program  
189.7 participants who do not receive a scholarship. Scholarship funds may not be used for  
189.8 services that are available at no cost to nonscholarship recipient families. Approved  
189.9 programs must maintain documentation of services provided and the commissioner shall  
189.10 verify information submitted by approved programs to ensure appropriate services were  
189.11 provided to eligible recipients for whom state early childhood scholarship funds are paid.  
189.12 Scholarship funds awarded to families receiving other forms of assistance, such as child  
189.13 care assistance, must be used to supplement and may not be used to supplant services  
189.14 provided through that assistance.

189.15 Subd. 6. **Scholarship not income for purposes of other publicly funded**  
189.16 **programs.** Notwithstanding any law to the contrary, the receipt of a scholarship does not  
189.17 count as earned income for the purposes of medical assistance, MinnesotaCare, MFIP,  
189.18 child care assistance, or Head Start programs.

189.19 Sec. 17. Minnesota Statutes 2006, section 124D.175, is amended to read:

189.20 **124D.175 MINNESOTA EARLY LEARNING FOUNDATION.**

189.21 (a) ~~The commissioner must make a grant to the~~ Minnesota Early Learning  
189.22 Foundation ~~to~~ may implement an early childhood development grant program for  
189.23 low-income and other challenged families that increases the effectiveness and expands  
189.24 the capacity of public and nonpublic early childhood development programs, which may  
189.25 include child care programs, and leads to improved early childhood parent education and  
189.26 children's kindergarten readiness. The program ~~must~~ may include:

189.27 (1) grant awards to existing early childhood development program providers that  
189.28 also provide parent education programs and to qualified providers proposing to implement  
189.29 pilot programs for this same purpose;

189.30 (2) grant awards to enable low-income families to participate in these programs;

189.31 (3) grant awards to improve overall programmatic quality; and

189.32 (4) an evaluation of the programmatic and financial efficacy of all these programs,  
189.33 which may be performed using measures of services, staffing, and management systems  
189.34 that provide consistent information about system performance, show trends, confirm  
189.35 successes, and identify potential problems in early childhood development programs.

190.1 This grant program must not supplant existing early childhood development programs  
190.2 or child care funds.

190.3 ~~(b) The commissioner must make a grant to a private nonprofit, section 501(c)(3)~~  
190.4 ~~organization to implement the requirements of paragraph (a). The private nonprofit~~  
190.5 ~~organization must be governed by a board of directors composed of members from the~~  
190.6 ~~public and nonpublic sectors, where the nonpublic sector members compose a simple~~  
190.7 ~~majority of board members and where the public sector members are state and local~~  
190.8 ~~government officials, kindergarten through grade 12 or postsecondary educators, and early~~  
190.9 ~~childhood providers appointed by the governor. Membership on the board of directors~~  
190.10 ~~by a state agency official are work duties for the official and are not a conflict of interest~~  
190.11 ~~under section 43A.38. The board of directors must appoint an executive director and must~~  
190.12 ~~seek advice from geographically and ethnically diverse parents of young children and~~  
190.13 ~~representatives of early childhood development providers, kindergarten through grade 12~~  
190.14 ~~and postsecondary educators, public libraries, and the business sector.~~

190.15 The board of directors is subject to the open meeting law under chapter 13D and  
190.16 the provisions of chapter 13. ~~All other terms and conditions under which board members~~  
190.17 ~~serve and operate must be described in the articles and bylaws of the organization. The~~  
190.18 ~~private nonprofit organization is not a state agency and is not subject to laws governing~~  
190.19 ~~public agencies except the provisions of chapter 13, salary limits under section 15A.0815,~~  
190.20 ~~subdivision 2, and audits by the legislative auditor under chapter 3 apply.~~

190.21 ~~(c)~~ (b) In addition to the duties under paragraph (a), the Minnesota Early Learning  
190.22 Foundation (MELF) shall evaluate the effectiveness of ~~the~~ a voluntary NorthStar quality  
190.23 ~~Improvement and rating system. The NorthStar Quality Improvement and Rating System~~  
190.24 quality rating system must:

190.25 (1) provide consumer information for parents on child care and early education  
190.26 program quality and ratings;

190.27 (2) set indicators to identify quality in care and early education settings, including  
190.28 licensed family child care and centers, tribal providers and programs, and Head Start  
190.29 ~~and school-age~~ programs, and identify quality programs through ratings and ongoing  
190.30 monitoring of programs;

190.31 (3) provide ~~funds~~ resources and incentives for provider improvement ~~grants~~ and  
190.32 quality achievement ~~grants~~;

190.33 (4) require participating providers to ~~incorporate the state's early learning standards~~  
190.34 ~~in their curriculum activities and develop appropriate child assessments aligned with the~~  
190.35 ~~kindergarten readiness assessment~~ implement a curriculum and child assessments that  
190.36 align with the kindergarten through grade 2 standards;

191.1 (5) provide ~~accountability for the NorthStar Quality Improvement and Rating~~  
191.2 ~~System's effectiveness in improving child outcomes and kindergarten readiness an~~  
191.3 ~~evaluation of the quality rating system; and~~

191.4 (6) align current and new state investments to improve the quality of child care  
191.5 with the NorthStar quality Improvement and rating system framework, by providing  
191.6 accountability and informed parent choice.

191.7 (c) The Minnesota Early Learning Foundation shall report back to the legislature by  
191.8 ~~January 15, 2008, annually~~ on the progress being made under ~~this paragraph~~ paragraphs  
191.9 (a) and (b).

191.10 (d) This section expires June 30, ~~2011~~ 2012. ~~If no state appropriation is made for~~  
191.11 ~~purposes of this section, the commissioner must not implement paragraphs (a) and (b).~~

191.12 (e) A legislative advisory task force shall be established to meet with MELF  
191.13 regarding pilot projects for scholarship programs, and regarding other programs and pilot  
191.14 projects of a similar nature conducted in Minnesota or elsewhere. The task force shall  
191.15 have eight members, appointed as follows: two members from the majority party of the  
191.16 house of representatives, appointed by the speaker, one of whom shall be designated  
191.17 the house of representatives cochair, and two from nonmajority members of the house  
191.18 of representatives, appointed by the speaker with advice from the minority leader; two  
191.19 members from the majority party in the senate, one of whom shall be designated the  
191.20 senate cochair, and two from nonmajority members of the senate, appointed by the  
191.21 senate subcommittee on committees. Appointments shall be balanced geographically,  
191.22 with at least two members from substantially suburban districts and four members from  
191.23 nonmetropolitan districts. The task force shall meet at least twice per year.

191.24 Sec. 18. **[124D.2211] AFTER-SCHOOL COMMUNITY LEARNING**  
191.25 **PROGRAMS.**

191.26 Subdivision 1. **Establishment.** A competitive statewide after-school community  
191.27 learning grant program is established to provide grants to community or nonprofit  
191.28 organizations, political subdivisions, for-profit or nonprofit child care centers, or  
191.29 school-based programs that serve youth after school or during nonschool hours. The  
191.30 commissioner shall develop criteria for after-school community learning programs.

191.31 Subd. 2. **Program outcomes.** The expected outcomes of the after-school  
191.32 community learning programs are to increase:

191.33 (1) school connectedness of participants;

191.34 (2) academic achievement of participating students in one or more core academic  
191.35 areas;

192.1 (3) the capacity of participants to become productive adults; and

192.2 (4) prevent truancy from school and prevent juvenile crime.

192.3 Subd. 3. **Grants.** An applicant shall submit an after-school community learning  
192.4 program proposal to the commissioner. The submitted plan must include:

192.5 (1) collaboration with and leverage of existing community resources that have  
192.6 demonstrated effectiveness;

192.7 (2) outreach to children and youth; and

192.8 (3) involvement of local governments, including park and recreation boards or  
192.9 schools, unless no government agency is appropriate.

192.10 Proposals will be reviewed and approved by the commissioner.

192.11 Sec. 19. Minnesota Statutes 2006, section 124D.531, subdivision 1, is amended to read:

192.12 Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic  
192.13 education aid for fiscal year 2005 is \$36,509,000. The state total adult basic education  
192.14 aid for fiscal year 2006 equals \$36,587,000 plus any amount that is not paid for during  
192.15 the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or  
192.16 section 124D.52, subdivision 3. The state total adult basic education aid for fiscal year  
192.17 2007 equals \$37,673,000 plus any amount that is not paid for during the previous fiscal  
192.18 year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52,  
192.19 subdivision 3. The state total adult basic education aid for fiscal year 2008 equals  
192.20 \$40,650,000, plus any amount that is not paid during the previous fiscal year as a result of  
192.21 adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The  
192.22 state total adult basic education aid for later fiscal years equals:

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

192.26 (2) the lesser of:

192.27 (i) 1.03; or

192.28 (ii) the greater of 1.00 or the ratio of the state total contact hours in the first prior  
192.29 program year to the state total contact hours in the second prior program year.

192.30 Beginning in fiscal year 2002, two percent of the state total adult basic education  
192.31 aid must be set aside for adult basic education supplemental service grants under section  
192.32 124D.522.

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

193.1 Sec. 20. Minnesota Statutes 2006, section 124D.531, subdivision 4, is amended to read:

193.2 Subd. 4. **Adult basic education program aid limit.** (a) Notwithstanding  
193.3 subdivisions 2 and 3, the total adult basic education aid for a program per prior year  
193.4 contact hour must not exceed ~~\$21~~ \$22 per prior year contact hour computed under  
193.5 subdivision 3, clause (2).

193.6 (b) For fiscal year 2004, the aid for a program under subdivision 3, clause (2),  
193.7 adjusted for changes in program membership, must not exceed the aid for that program  
193.8 under subdivision 3, clause (2), for fiscal year 2003 by more than the greater of eight  
193.9 percent or \$10,000.

193.10 (c) For fiscal year 2005, the aid for a program under subdivision 3, clause (2),  
193.11 adjusted for changes in program membership, must not exceed the sum of the aid for that  
193.12 program under subdivision 3, clause (2), and Laws 2003, First Special Session chapter 9,  
193.13 article 9, section 8, paragraph (a), for the preceding fiscal year by more than the greater of  
193.14 eight percent or \$10,000.

193.15 (d) For fiscal ~~year~~ years 2006 and ~~later~~ 2007, the aid for a program under subdivision  
193.16 3, clause (2), adjusted for changes in program membership, must not exceed the aid for  
193.17 that program under subdivision 3, clause (2), for the first preceding fiscal year by more  
193.18 than the greater of eight percent or \$10,000.

193.19 (e) For fiscal year 2008, the aid for a program under subdivision 3, clause (2),  
193.20 adjusted for changes in program membership, shall not be limited.

193.21 (f) For fiscal year 2009 and later, the aid for a program under subdivision 3, clause  
193.22 (2), adjusted for changes in program membership, must not exceed the aid for that  
193.23 program under subdivision 3, clause (2), for the first preceding fiscal year by more than  
193.24 the greater of 11 percent or \$10,000.

193.25 ~~(e)~~ (g) Adult basic education aid is payable to a program for unreimbursed costs  
193.26 occurring in the program year as defined in section 124D.52, subdivision 3.

193.27 ~~(f)~~ (h) Any adult basic education aid that is not paid to a program because of the  
193.28 program aid limitation under paragraph (a) must be added to the state total adult basic  
193.29 education aid for the next fiscal year under subdivision 1. Any adult basic education aid  
193.30 that is not paid to a program because of the program aid limitations under paragraph (b),  
193.31 (c), or (d), must be reallocated among programs by adjusting the rate per contact hour  
193.32 under subdivision 3, clause (2).

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

193.34 **124D.55 GENERAL EDUCATION DEVELOPMENT (GED) TEST FEES.**

194.1           (a) The commissioner shall pay ~~60~~ 75 percent of the fee that is charged to an eligible  
194.2 individual for the full battery of a general education development (GED) test, but not  
194.3 more than ~~\$20~~ \$75 for an eligible individual.

194.4           (b) Notwithstanding paragraph (a), the commissioner shall pay 100 percent of the  
194.5 initial fee for an eligible individual who is homeless or precariously housed, as determined  
194.6 by the commissioner.

194.7           Sec. 22. Minnesota Statutes 2006, section 124D.56, subdivision 1, is amended to read:

194.8           Subdivision 1. **Revenue amount.** A district that is eligible according to section  
194.9 124D.20, subdivision 2, may receive revenue for a program for adults with disabilities.  
194.10 Revenue for the program for adults with disabilities for a district or a group of districts  
194.11 equals the lesser of:

194.12           (1) the actual expenditures for approved programs and budgets; or

194.13           (2) ~~\$60,000~~ \$75,000.

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

194.15           Sec. 23. Minnesota Statutes 2006, section 124D.56, subdivision 2, is amended to read:

194.16           Subd. 2. **Aid.** Program aid for adults with disabilities equals the lesser of:

194.17           (1) one-half of the actual expenditures for approved programs and budgets; or

194.18           (2) ~~\$30,000~~ \$37,500.

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

194.20           Sec. 24. Minnesota Statutes 2006, section 124D.56, subdivision 3, is amended to read:

194.21           Subd. 3. **Levy.** A district may levy for a program for adults with disabilities an  
194.22 amount ~~up to the amount designated~~ not to exceed the difference between the revenue  
194.23 amount calculated in subdivision 1 and the aid amount calculated in subdivision 2. In the  
194.24 case of a program offered by a group of districts, the levy amount must be apportioned  
194.25 among the districts according to the agreement submitted to the department.

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

194.27           Sec. 25. **EARLY CHILDHOOD COMMUNITY HUB PLANNING AND**  
194.28 **IMPLEMENTATION GRANTS.**

194.29           Subdivision 1. **Establishment.** (a) A two-year grant program is established to  
194.30 increase children's school readiness and success using early childhood community hubs.

195.1 An early childhood community hub must promote children's school readiness from before  
195.2 birth to kindergarten by coordinating and improving families' access to:

195.3 (1) community early care and education services;

195.4 (2) school;

195.5 (3) health services; and

195.6 (4) other family support services that stabilize, support, and assist families in  
195.7 meeting their children's health and developmental needs.

195.8 (b) The commissioner of education shall designate at least four hubs to be established  
195.9 under this section. One hub must be located in a rural area of the state, one must be in a  
195.10 suburban area, and one must be in an urban area. The commissioner shall consider other  
195.11 demographic and cultural factors to ensure that hubs are selected in diverse areas of the  
195.12 state, and shall ensure that a significant number of participants in each area are eligible  
195.13 for free or reduced-price lunch.

195.14 Subd. 2. **Eligibility; application.** (a) An applicant for a grant must be a school  
195.15 district, a consortium of school districts, or a tribal school interested in collaborating with  
195.16 community-based early childhood care and education providers to maximize the services  
195.17 available to eligible families.

195.18 (b) An interested applicant must submit a plan to the commissioner of education,  
195.19 in the form and manner the commissioner determines, to implement an early childhood  
195.20 community hub that is located in a public school, a tribal school, or other appropriate  
195.21 community location. An applicant must include in the plan a community-based assessment  
195.22 of the existing resources and needs for providing high quality early care and education  
195.23 services, health and mental health services, and other social services that support healthy  
195.24 families and safe neighborhoods. A district superintendent or a designated representative,  
195.25 or a tribal school principal or a designated representative, must oversee the community  
195.26 collaboration.

195.27 Subd. 3. **Program components.** (a) Grant recipients must:

195.28 (1) provide for an ongoing assessment of local resources and needs for high quality  
195.29 early care and education services, health and mental health services, and other social  
195.30 services that support safe neighborhoods and healthy families;

195.31 (2) develop and implement, in consultation with an advisory committee under  
195.32 subdivision 4, a plan to improve the healthy development and school readiness of children  
195.33 from before birth to kindergarten;

195.34 (3) develop collaborative partnerships among school-based early childhood  
195.35 programs, kindergarten teachers and other school officials, community-based Head  
195.36 Start and child care programs including licensed centers, family child care homes,

196.1 and unlicensed family friend and neighbor caregivers, early intervention interagency  
196.2 committees, and other appropriate partners that:

196.3 (i) use the Minnesota child care resource and referral network to provide parents  
196.4 with information on quality early care and education services and financial aid options for  
196.5 their children from birth to kindergarten;

196.6 (ii) provide high quality early care and education settings for children from birth to  
196.7 kindergarten;

196.8 (iii) connect families to health, mental health, adult basic education, English  
196.9 language learning, family literacy programs, and other relevant social services; and

196.10 (iv) promote shared professional development activities in early care and education  
196.11 settings that integrate curriculum, assessment, and instruction and are aligned with  
196.12 kindergarten through grade 12 standards;

196.13 (4) provide meaningful kindergarten transition services for families that begin one  
196.14 school year before a child enters kindergarten;

196.15 (5) develop and implement an evaluation plan to determine the effectiveness of the  
196.16 collaboration, the level of parent satisfaction, and children's kindergarten readiness before  
196.17 and after participating in the program; and

196.18 (6) assign an unduplicated MARSS number to each child participating in the  
196.19 program.

196.20 (b) An applicant must agree to contract with a qualified person to coordinate the hub  
196.21 who, at a minimum, must have:

196.22 (1) a bachelor's degree in early childhood development or a related field;

196.23 (2) experience working with low-income families from diverse cultural communities;  
196.24 and

196.25 (3) experience working with state and community school readiness providers.

196.26 (c) An applicant must agree to provide a 15 percent local match for any grant money  
196.27 it receives, of which five percent may be in-kind contributions. A grant recipient must use  
196.28 the grant, including the local match, to supplement but not supplant existing state-funded  
196.29 early childhood initiatives in the community.

196.30 Subd. 4. **Advisory committees.** Each early childhood community hub grantee must  
196.31 have an advisory committee, which may be a preexisting early childhood committee or  
196.32 a newly formed early childhood advisory committee. A newly formed early childhood  
196.33 advisory committee must include at least the following members selected by the school  
196.34 administrator who oversees the community collaboration:

196.35 (1) 30 percent parents;

196.36 (2) the school administrator who oversees the community collaboration;



- 197.1 (3) licensed teachers for kindergarten through grade 3;  
197.2 (4) licensed child care providers that include family child care and center-based  
197.3 providers;  
197.4 (5) Head Start providers;  
197.5 (6) early childhood family education and school readiness providers;  
197.6 (7) early childhood special education providers;  
197.7 (8) a child care resource and referral agency;  
197.8 (9) community business leaders;  
197.9 (10) an early intervention interagency committee liaison;  
197.10 (11) other appropriate community members serving young children and their  
197.11 families; and  
197.12 (12) an official from a county-recognized labor organization that serves as a partner  
197.13 with licensed family day care providers.

197.14 Subd. 5. **Evaluation.** The commissioner must provide for an evaluation of this  
197.15 grant program and must recommend to the education policy and finance committees of  
197.16 the legislature by February 15, 2010, whether or not to expand the program throughout  
197.17 the state.

197.18 Sec. 26. **PROVISIONAL QUALITY RATING SYSTEM, LICENSED CHILD**  
197.19 **CARE.**

197.20 For fiscal year 2009 only, a licensed child care program shall receive a provisional  
197.21 quality rating system approval if the provider certifies to the Department of Human  
197.22 Services that it uses curricula and child assessment instruments approved by the  
197.23 Department of Human Services, provides opportunities for parent involvement and parent  
197.24 education, proves a program with sufficient intensity and duration to improve school  
197.25 readiness of participating children, and meets other criteria determined necessary by the  
197.26 commissioner of human services.

197.27 Sec. 27. **PROVISIONAL QUALITY RATING SYSTEM, SCHOOL READINESS.**

197.28 For fiscal year 2009 only, a school readiness program shall receive a provisional  
197.29 quality rating system approval if the provider certifies to the Department of Education  
197.30 that it uses curricula and child assessment instruments approved by the Department of  
197.31 Education, provides opportunities for parent involvement and parent education, proves a  
197.32 program with sufficient intensity and duration to improve school readiness of participating  
197.33 children, and meets other criteria determined necessary by the commissioner of education.

198.1       Sec. 28. **SCHOLARSHIP DEMONSTRATION PROJECTS.**

198.2           Subdivision 1. **Early childhood allowance.** The commissioners of human services  
198.3 and education shall establish two scholarship demonstration projects to be conducted in  
198.4 partnership with the Minnesota Early Learning Foundation to promote children's school  
198.5 readiness. The demonstration projects shall be designed and evaluated by the Minnesota  
198.6 Early Learning Foundation in consultation with the legislative advisory group. The  
198.7 programs shall be conducted in nonurban areas outside the seven-county metropolitan area.

198.8           Subd. 2. **Family eligibility.** Parents or legal guardians with incomes less than or  
198.9 equal to 185 percent of the federal poverty guidelines are eligible to receive allowances to  
198.10 pay for their children's education in a quality early education program, in an amount not  
198.11 to exceed \$4,000 per child per year. The allowance must be used during the 12 months  
198.12 following receipt of the allowance by the claimant for a child who is age 3 or 4 on August  
198.13 31, to pay for services designed to promote school readiness in a quality early education  
198.14 setting. A quality program is one that meets the standards in subdivision 3.

198.15           Subd. 3. **Quality standards.** (a) A quality early care and education setting is any  
198.16 service or program that receives a quality rating from the Department of Human Services  
198.17 under the Minnesota Early Learning Foundation quality rating system administered by  
198.18 the Department of Human Services and agrees to accept a prekindergarten education  
198.19 allowance to pay for services. For fiscal year 2008 and 2009 only, a provider may satisfy  
198.20 the quality rating system requirements and be deemed eligible to participate in this  
198.21 program if the provider has received a provisional quality rating system approval from  
198.22 either the Department of Human Services or the Department of Education.

198.23           (b) For the purposes of receiving a provisional quality rating, a child care program  
198.24 or provider must be approved by the commissioner of human services under section  
198.25 26 and a school readiness program or a Head Start program must be approved by the  
198.26 commissioner of education under section 27. Programs and providers must apply for  
198.27 approval in the form and manner prescribed by the commissioners. To receive approval,  
198.28 the commissioners must determine that applicants:

198.29           (1) use research-based curricula that are aligned with the education standards under  
198.30 Minnesota Statutes, section 120B.021, instruction, and child assessment instruments  
198.31 approved by the Department of Education and the Department of Human Services, in  
198.32 consultation with the Minnesota Early Learning Foundation;

198.33           (2) provide a program of sufficient intensity and duration to improve the school  
198.34 readiness of participating children;

198.35           (3) provide opportunities for parent involvement; and

198.36           (4) meet other research-based criteria determined necessary by the commissioners.

199.1 (c) For 2008 and 2009, notwithstanding paragraph (b), Head Start programs  
199.2 meeting Head Start performance standards and accredited child care centers are granted  
199.3 a provisional quality rating for the purposes of receiving a prekindergarten education  
199.4 allowance under this statute.

199.5 (d) A provider deemed eligible to receive a prekindergarten education allowance  
199.6 under paragraphs (a) to (c) may use the allowance to enhance services above the current  
199.7 quality levels, increase the duration of services provided, or expand the number of children  
199.8 to whom services are provided.

199.9 (e) For fiscal years 2008 and 2009 only, when no quality program is available, a  
199.10 recipient may direct the prekindergarten education allowance to a provider or program for  
199.11 school readiness quality improvements that will make the provider or program eligible  
199.12 for a quality rating according to the quality rating system. Allowable expenditures that  
199.13 will increase the capacity of the provider or program to help children be ready for school  
199.14 include purchase of curricula and assessment tools, training on the use of curriculum and  
199.15 assessment tools, purchase of materials to improve the learning environment, or other  
199.16 expenditures approved by the commissioner of human services for child care providers  
199.17 and the commissioner of education for school readiness programs.

199.18 Subd. 4. **Eligibility; applications.** The Department of Human Services and  
199.19 Department of Education shall, in cooperation with the Minnesota Early Learning  
199.20 Foundation, develop an application process for eligible families. Eligible families  
199.21 must have incomes less than or equal to 185 percent of the federal poverty guidelines.  
199.22 Allowances paid to families under this program may not be counted as earned income  
199.23 for the purposes of medical assistance, MinnesotaCare, MFIP, child care assistance, or  
199.24 Head Start programs.

199.25 Subd. 5. **Expenditures.** This program shall operate during fiscal years 2008 and  
199.26 2009.

199.27 **EFFECTIVE DATE.** This section is effective the day following final enactment  
199.28 and its provisions sunset on January 1, 2012.

199.29 Sec. 29. **GRANT PROGRAM TO PROMOTE THE HEALTHY DEVELOPMENT**  
199.30 **OF CHILDREN AND YOUTH WITHIN THEIR COMMUNITIES.**

199.31 (a) The commissioner of education must contract with the Search Institute to help  
199.32 local communities develop, expand, and maintain the tools, training, and resources needed  
199.33 to foster positive child and youth development and effectively engage young people in  
199.34 their communities. The Search Institute must educate individuals and community-based  
199.35 organizations to adequately understand and meet the development needs of their children

200.1 and youth, use best practices to promote the healthy development of children and youth,  
200.2 share best program practices with other interested communities, and create electronic and  
200.3 other opportunities for communities to share experiences in and resources for promoting  
200.4 the healthy development of children and youth.

200.5 (b) The commissioner of education must provide for an evaluation of the  
200.6 effectiveness of this program and must recommend to the education policy and finance  
200.7 committees of the legislature by February 15, 2010, whether or not to make the program  
200.8 available statewide. The Search Institute annually must report to the commissioner of  
200.9 education on the services it provided and the grant money it expended under this section.

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

200.11 Sec. 30. **APPROPRIATION.**

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

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

200.17 \$ 21,106,000 ..... 2008

200.18 \$ 21,888,000 ..... 2009

200.19 The 2008 appropriation includes \$1,796,000 for 2007 and \$19,310,000 for 2008.

200.20 The 2009 appropriation includes \$2,145,000 for 2008 and \$19,743,000 for 2009.

200.21 Subd. 3. **Targeted training of early childhood professionals.** For the targeted  
200.22 training of early childhood professionals under Minnesota Statutes, section 124D.163:

200.23 \$ 155,000 ..... 2008

200.24 \$ 70,000 ..... 2009

200.25 Any balance in the first year does not cancel but is available in the second year. The  
200.26 base for this program in fiscal year 2010 and later is \$70,000.

200.27 Subd. 4. **Early childhood community hub planning and implementation grants.**  
200.28 For planning and implementation grants under section 25:

200.29 \$ 1,000,000 ..... 2008

200.30 \$ 1,000,000 ..... 2009

200.31 This is a onetime appropriation.

201.1            Subd. 5. **Early childhood scholarships.** For early childhood scholarships under  
201.2 section 16:

201.3            \$            392,000        ..... 2008

201.4            \$            2,108,000        ..... 2009

201.5            This is a onetime appropriation.

201.6            Subd. 6. **School readiness.** For revenue for school readiness programs under  
201.7 Minnesota Statutes, sections 124D.15 and 124D.16:

201.8            \$            9,995,000        ..... 2008

201.9            \$            10,095,000        ..... 2009

201.10           The 2008 appropriation includes \$909,000 for 2007 and \$9,086,000 for 2008.

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

201.12           Subd. 7. **State Advisory Board on School Readiness.** For the State Advisory  
201.13 Board on School Readiness under section 12:

201.14           \$            46,000        ..... 2008

201.15           \$            40,000        ..... 2009

201.16           The base for this program is \$40,000 per year for fiscal year 2010 and later.

201.17           Subd. 8. **Lifetrack Resources.** For a contract with Lifetrack Resources to provide a  
201.18 program in Ramsey County to expand school readiness and home visiting services for  
201.19 children from birth to kindergarten who are at risk of or have been diagnosed with mental  
201.20 illness or developmental delays due to fetal alcohol or drug exposure, child neglect, or  
201.21 abuse, and their families in order to ensure the children's school readiness:

201.22           \$            500,000        ..... 2008

201.23           \$            500,000        ..... 2009

201.24           This is a onetime appropriation.

201.25           Subd. 9. **Minnesota Learning Resource Center.** For a grant to A Chance to  
201.26 Grow/New Visions for the Minnesota Learning Resource Center's comprehensive training  
201.27 program for education professionals charged with helping children acquire learning  
201.28 readiness skills:

201.29           \$            75,000        ..... 2008

201.30           \$            75,000        ..... 2009

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

201.32           The Minnesota Learning Resource Center shall issue a report by January 15, 2009, to  
201.33 the committees of the house of representatives and senate responsible for early childhood

202.1 programs. The report shall describe the conduct of the training provided to the A Chance  
202.2 to Grow/New Visions program, and any findings or lessons learned that might prove  
202.3 useful to the training of education professionals or the improvement of learning readiness  
202.4 services for children from such training.

202.5 This is a onetime appropriation.

202.6 Subd. 10. **Health and developmental screening aid.** For health and developmental  
202.7 screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

202.8 \$ 3,159,000 .... 2008

202.9 \$ 3,330,000 .... 2009

202.10 The 2008 appropriation includes \$288,000 for 2007 and \$2,871,000 for 2008.

202.11 The 2009 appropriation includes \$319,000 for 2008 and \$3,011,000 for 2009.

202.12 Subd. 11. **Educate parents partnership.** For the educate parents partnership under  
202.13 Minnesota Statutes, section 124D.129:

202.14 \$ 50,000 .... 2008

202.15 \$ 50,000 .... 2009

202.16 Subd. 12. **Kindergarten entrance assessment initiative and intervention**  
202.17 **program.** For the kindergarten entrance assessment initiative and intervention program  
202.18 under Minnesota Statutes, section 124D.162:

202.19 \$ 584,000 .... 2008

202.20 \$ 776,000 .... 2009

202.21 Subd. 13. **Head Start programs.** For Head Start programs under Minnesota  
202.22 Statutes, section 119A.52:

202.23 \$ 20,100,000 .... 2008

202.24 \$ 20,100,000 .... 2009

202.25 Of these amounts, up to 10 percent of the funds allocated to local Head Start  
202.26 programs annually may be used for innovative services designed either to target Head  
202.27 Start resources to particular at-risk groups of children or to provide services in addition  
202.28 to those currently allowable under federal Head Start regulations. Head Start programs  
202.29 must submit a plan for innovative services as part of the application process described  
202.30 under Minnesota Statutes, section 119A.535.

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

202.32 Subd. 14. **Community education aid.** For community education aid under  
202.33 Minnesota Statutes, section 124D.20:

203.1           \$        1,307,000   ..... 2008

203.2           \$        816,000   ..... 2009

203.3           The 2008 appropriation includes \$195,000 for 2007 and \$1,112,000 for 2008.

203.4           The 2009 appropriation includes \$123,000 for 2008 and \$693,000 for 2009.

203.5           Subd. 15. **Adults with disabilities program aid.** For adults with disabilities  
203.6 programs under Minnesota Statutes, section 124D.56:

203.7           \$        881,000   ..... 2008

203.8           \$        900,000   ..... 2009

203.9           The 2008 appropriation includes \$71,000 for 2007 and \$810,000 for 2008.

203.10          The 2009 appropriation includes \$90,000 for 2008 and \$810,000 for 2009.

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

203.14          Subd. 16. **Hearing-impaired adults.** For programs for hearing-impaired adults  
203.15 under Minnesota Statutes, section 124D.57:

203.16          \$        70,000   ..... 2008

203.17          \$        70,000   ..... 2009

203.18          Subd. 17. **School-age care revenue.** For extended day aid under Minnesota  
203.19 Statutes, section 124D.22:

203.20          \$        1,000   ..... 2008

203.21          \$        1,000   ..... 2009

203.22          The 2008 appropriation includes \$0 for 2007 and \$1,000 for 2008.

203.23          The 2009 appropriation includes \$0 for 2008 and \$1,000 for 2009.

203.24          Subd. 18. **After-school community learning grants.** For after-school community  
203.25 learning grants:

203.26          \$        2,775,000   ..... 2008

203.27          \$        2,600,000   ..... 2009

203.28          The commissioner may hire one full-time equivalent staff person to administer the  
203.29 statewide after-school community learning grant program.

203.30          The Department of Education shall give strong consideration to an application  
203.31 for a grant under this subdivision by Independent School District No. 625, St. Paul, on  
203.32 behalf of the city of St. Paul to increase the number and quality of after school and school  
203.33 release time activities for children within the school district. A grant provided under this  
204.1 subdivision to Independent School District No. 625, St. Paul, in partnership with the

204.2 city of St. Paul must improve opportunities for learning provided by the district and by  
204.3 nonprofit programs serving youth, and for staff development for library and park and  
204.4 recreation workers who have frequent contact with children.

204.5 This is a onetime appropriation.

204.6 Subd. 19. **Children and youth healthy development grant.** For children and youth  
204.7 healthy development grant under section 29:

204.8 \$ 250,000 ..... 2008

204.9 \$ 250,000 ..... 2009

204.10 This is a onetime appropriation.

204.11 Subd. 20. **Adult basic education aid.** For adult basic education aid under  
204.12 Minnesota Statutes, section 124D.531:

204.13 \$ 40,347,000 ..... 2008

204.14 \$ 41,745,000 ..... 2009

204.15 The 2008 appropriation includes \$3,759,000 for 2007 and \$36,588,000 for 2008.

204.16 The 2009 appropriation includes \$4,065,000 for 2008 and \$37,680,000 for 2009.

204.17 Subd. 21. **GED test fees.** For GED test fees under Minnesota Statutes, section  
204.18 124D.55:

204.19 \$ 300,000 ..... 2008

204.20 \$ 200,000 ..... 2009

204.21 \$100,000 in fiscal year 2008 is for GED test fees for homeless persons.

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

204.23 Subd. 22. **Adult literacy grants for recent immigrants.** For adult literacy grants  
204.24 for recent immigrants to Minnesota under Laws 2006, chapter 282, article 2, section 26:

204.25 \$ 1,250,000 ..... 2008

204.26 Subd. 23. **Minnesota Early Learning Foundation.** For a grant to the Minnesota  
204.27 Early Learning Foundation for the scholarship demonstration projects in section 28:

204.28 \$ 1,250,000 ..... 2008

204.29 \$ 1,250,000 ..... 2009

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

204.31 This is a onetime appropriation.

204.32 Sec. 31. **DEPARTMENT OF HEALTH.**



205.1            \$100,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 are appropriated from  
205.2   the general fund to the commissioner of health for lead hazard reduction.

205.3            Sec. 32. **REPEALER.**

205.4            Minnesota Statutes 2006, section 124D.531, subdivision 5, is repealed.

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**120B.233 CHARACTER DEVELOPMENT EDUCATION REVENUE; PILOT PROGRAM.**

Subdivision 1. **Pilot program created.** A pilot program is created to allow school districts to receive character development education revenue to purchase curriculum for the purposes of section 120B.232. Character development education revenue for school districts equals \$30 times the district's adjusted marginal cost pupil units.

Subd. 2. **Approved provider list.** The commissioner of education shall maintain a character development education curriculum approved provider list. The character development education curriculum of approved providers shall be research based with at least one completed relational study covering a period of no fewer than five years and completed by an independent party. Approved character development education curriculum must include:

- (1) age appropriate character development for the classroom in all elementary and secondary grades;
- (2) curriculum for character development extracurricular activities;
- (3) teacher training workshops and in-service training;
- (4) plans for school assemblies promoting character development;
- (5) midyear consulting between the school district and the provider; and
- (6) an assessment program.

Subd. 3. **Application and selection process.** A school district may submit to the commissioner an application for funding in the form and manner specified by the commissioner. The commissioner shall approve applications that propose to use an approved provider and that agree to use the program as recommended by the provider. The commissioner must approve or disapprove an application within 30 days of receipt on a first-come, first-served basis.

**121A.23 PROGRAMS TO PREVENT AND REDUCE THE RISKS OF SEXUALLY TRANSMITTED INFECTIONS AND DISEASES.**

Subdivision 1. **Sexually transmitted infections and diseases program.** The commissioner of education, in consultation with the commissioner of health, shall assist districts in developing and implementing a program to prevent and reduce the risk of sexually transmitted infections and diseases, including but not exclusive to human immune deficiency virus and human papilloma virus. Each district must have a program that includes at least:

- (1) planning materials, guidelines, and other technically accurate and updated information;
- (2) a comprehensive, technically accurate, and updated curriculum that includes helping students to abstain from sexual activity until marriage;
- (3) cooperation and coordination among districts and SCs;
- (4) a targeting of adolescents, especially those who may be at high risk of contracting sexually transmitted infections and diseases, for prevention efforts;
- (5) involvement of parents and other community members;
- (6) in-service training for appropriate district staff and school board members;
- (7) collaboration with state agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program;
- (8) collaboration with local community health services, agencies and organizations having a sexually transmitted infection and disease prevention or sexually transmitted infection and disease risk reduction program; and
- (9) participation by state and local student organizations.

The department may provide assistance at a neutral site to a nonpublic school participating in a district's program. District programs must not conflict with the health and wellness curriculum developed under Laws 1987, chapter 398, article 5, section 2, subdivision 7.

If a district fails to develop and implement a program to prevent and reduce the risk of sexually transmitted infection and disease, the department must assist the service cooperative in the region serving that district to develop or implement the program.

Subd. 2. **Funding sources.** Districts may accept funds for sexually transmitted infection and disease prevention programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants or other federal or state grants.

**123A.22 COOPERATIVE CENTERS FOR VOCATIONAL EDUCATION.**

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Subd. 11. **Revenue.** A secondary vocational cooperative may be eligible for revenue under section 124D.453.

#### **123B.81 STATUTORY OPERATING DEBT.**

Subd. 8. **Plan disclosure.** Any district eligible to receive any amounts pursuant to section 126C.42, subdivision 1, must disclose its statutory operating debt retirement plan by footnote to the audited financial statement.

#### **124D.06 SPECIFIC ENROLLMENT OPTIONS IN NONRESIDENT DISTRICTS; LIMITED APPLICATION.**

Subdivision 1. **Previous enrollment.** Any pupil who, pursuant to the provisions of Minnesota Statutes 1976, section 120.065, or Minnesota Statutes 1977 Supplement, section 123.39, subdivision 5a, was enrolled on either January 1, 1978, or April 5, 1978, in a district of which the pupil was not a resident may continue in enrollment in that district.

Subd. 2. **Continued enrollment.** Any pupil who, pursuant to section 123B.88, subdivision 5, has continuously been enrolled since January 1, 1977, in a school district of which the pupil was not a resident may continue in enrollment in that district.

Subd. 3. **Under school age.** Any child who was under school age on either January 1, 1978, or April 5, 1978, but who otherwise would have qualified pursuant to the provisions of Minnesota Statutes 1976, section 120.065, or Minnesota Statutes 1977 Supplement, section 123.39, subdivision 5a, for enrollment in a district of which the child was not a resident may enroll in that district.

Subd. 4. **Nonpublic school pupil.** Any pupil enrolled on either January 1, 1978, or April 5, 1978, in a nonpublic school, as defined in section 123B.41, subdivision 9, located in a district of which the pupil was not a resident who would otherwise have qualified for enrollment in that district as a resident pursuant to subdivision 1 may attend the public schools of that district.

Subd. 5. **Adopted child.** Any child who was born on or before January 1, 1978, but who was adopted after January 1, 1978, and whose adoptive parent on January 1, 1978, owned property residence upon which would have qualified the child for enrollment pursuant to Minnesota Statutes 1976, section 120.065, in a district of which the child was not a resident may enroll in that district. Any child who was born on or before January 1, 1978, but who was adopted after January 1, 1978, and whose adoptive parent on January 1, 1978, owned or was a tenant upon property so as to qualify a child for enrollment pursuant to Minnesota Statutes 1977 Supplement, section 123.39, subdivision 5a, in a district of which the child was not a resident may enroll in that district.

Subd. 6. **Sibling of qualified pupil.** Subdivisions 1, 2, 3, 4, and 5 shall also apply to any brother or sister of a qualified pupil who is related to that pupil by blood, adoption, or marriage and to any foster child of that pupil's parents. The enrollment of any pupil pursuant to subdivision 1, 3, 4, or 5 and of a brother or sister of that pupil or of a foster child of that pupil's parents pursuant to this subdivision must remain subject to the provisions of Minnesota Statutes 1976, section 120.065 and Minnesota Statutes 1977 Supplement, section 123.39, subdivision 5a, as they read on January 1, 1978.

Subd. 7. **Aid payments.** General education aid and transportation aid attributable to pupils covered by programs under this section must be paid according to sections 123B.92, subdivision 3, and 127A.47, subdivision 7.

#### **124D.081 FIRST-GRADE PREPAREDNESS PROGRAM.**

Subdivision 1. **Purpose.** The purposes of the first-grade preparedness program are to ensure that every child has the opportunity before first grade to develop the skills and abilities necessary to read and succeed in school and to reduce the underlying causes that create a need for compensatory revenue.

Subd. 2. **Qualifying district.** A school district may receive first-grade preparedness revenue for qualifying school sites if, consistent with subdivision 5, the school board approves a resolution requiring the district to provide services to all children located in a qualifying school site attendance area.

Subd. 3. **Qualifying school site.** (a) The commissioner shall rank all school sites with kindergarten programs that do not exclusively serve students under sections 125A.03 to 125A.24, and 125A.65. The ranking must be from highest to lowest based on the site's free and reduced lunch count as a percent of the fall enrollment using the preceding October 1 enrollment data. Once a school site is calculated to be eligible, it remains eligible for the duration of the pilot program, unless the site's ranking falls below the state average for elementary schools. For each

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school site, the percentage used to calculate the ranking must be the greater of (1) the percent of the fall kindergarten enrollment receiving free and reduced lunch, or (2) the percent of the total fall enrollment receiving free and reduced lunch. The list of ranked sites must be separated into the following geographic areas: Minneapolis district, St. Paul district, suburban Twin Cities districts in the seven-county metropolitan area, and school districts in greater Minnesota.

(b) The commissioner shall establish a process and timelines to qualify school sites for the next school year. School sites must be qualified in each geographic area from the list of ranked sites until the estimated revenue available for this program has been allocated. The total estimated revenue must be distributed to qualified school sites in each geographic area as follows: 25 percent for Minneapolis sites, 25 percent for St. Paul sites, 25 percent for suburban Twin Cities sites, and 25 percent for greater Minnesota.

Subd. 4. **Program.** A qualifying school site must develop its first-grade preparedness program in collaboration with other providers of school readiness and child development services. A school site must offer a full-day kindergarten program to participating children who are five years of age or older for the full school day every day, a program for participating children who are four years old, or a combination of both. The program may offer as an option to families home visits and other practices as appropriate, and may provide such services with the consent of the parent or guardian. Program providers must ensure that the program supplements existing school readiness and child development programs and complements the services provided with compensatory revenue. Where possible, individuals receiving assistance under a family assistance plan can meet the work activity requirement of the plan by participating in a first-grade preparedness program as a volunteer.

Subd. 5. **Extended day requirements.** The board of a qualifying school district must develop and approve a plan to provide extended day services to serve as many children as possible. To accept children whose families participate in child care assistance programs under section 119B.03 or 119B.05, and to meet the requirements of section 245A.03, subdivision 2, the board must formally approve the first-grade preparedness program. All revenue received under subdivision 6 must be allocated to the qualifying school sites within the district.

Subd. 6. **Preparedness revenue.** (a) A qualifying school district is eligible for first-grade preparedness revenue equal to the basic formula allowance for that year times the number of children five years of age or older enrolled in a kindergarten program at the site on October 1 of the previous year times .53.

(b) This revenue must supplement and not replace compensatory revenue that the district uses for the same or similar purposes under chapters 120B, 123A, 123B, 124D, 126C, and 127A.

(c) A pupil enrolled in the first grade preparedness program at a qualifying school site is eligible for transportation under section 123B.88, subdivision 1.

(d) First grade preparedness revenue paid to a charter school for which a school district is providing transportation according to section 124D.10, subdivision 16, shall be decreased by an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0485 times the pupil units calculated according to paragraph (a). This amount shall be paid to the school district for transportation costs.

Subd. 9. **Reserve account.** First grade preparedness revenue must be placed in a reserve account within the general fund and may only be used for first grade preparedness programs at qualifying school sites.

### **124D.454 ACCESS TO MINNESOTA'S TRANSITION SYSTEM FOR CHILDREN WITH A DISABILITY.**

Subd. 4. **Adjusted transition-disabled base revenue.** For fiscal year 1996 and later, a district's adjusted transition-disabled base revenue equals the district's transition-disabled base revenue times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year.

Subd. 5. **State total transition program-disabled revenue.** The state total transition program-disabled revenue for fiscal year 2000 equals \$8,982,000. The state total transition program-disabled revenue for fiscal year 2001 equals \$8,966,000. The state total transition program-disabled revenue for later fiscal years equals:

- (1) the state total transition program-disabled revenue for the preceding fiscal year; times
- (2) the program growth factor; times
- (3) the greater of one, or the ratio of the state total average daily membership for the current fiscal year to the state total average daily membership for the preceding fiscal year.

Subd. 6. **School district transition-disabled revenue.** (a) A school district's transition-disabled revenue for fiscal year 1996 and later equals the state total transition-disabled

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revenue, minus the amount determined under paragraph (b), times the ratio of the district's adjusted transition-disabled base revenue to the state total adjusted transition-disabled base revenue.

(b) Notwithstanding paragraph (a), if the transition-disabled base revenue for a district equals zero and no district residents were enrolled in transition-disabled programs during the base year, the transition-disabled revenue equals the amount computed according to subdivision 3 using current year data.

Subd. 7. **School district transition-disabled aid.** A school district's transition-disabled aid for fiscal year 1996 and later equals the district's transition-disabled revenue times the aid percentage factor for that year.

#### **124D.531 ADULT BASIC EDUCATION AID.**

Subd. 5. **Aid guarantee.** Notwithstanding subdivisions 1, 3, and 4, for fiscal year 2001, any adult basic education program qualifying for aid under this section, that receives less state aid than in fiscal year 2000 must receive additional aid equal to the difference between its fiscal year 2000 aid and its fiscal year 2001 aid.

#### **124D.62 EXEMPTION FROM LICENSURE REQUIREMENTS FOR LIMITED ENGLISH PROFICIENCY (LEP) OR ENGLISH AS A SECOND LANGUAGE (ESL) TEACHERS.**

Subdivision 1. **Exemptions.** The commissioner may grant an exemption from the licensure requirement in the hiring of teachers of English as a second language or bilingual education teachers to a district if the commissioner finds that compliance would impose a hardship upon the district in the securing of teachers for its educational programs for limited English proficient students. The commissioner shall notify the Board of Teaching of any exemptions granted pursuant to this section.

Subd. 2. **Granting a license.** A teacher serving under an exemption as provided in subdivision 1 shall be granted a license as soon as that teacher qualifies for it. Not more than one year of service by a teacher under an exemption shall be credited to the teacher for the purposes of section 122A.40. For purposes of section 122A.41, a teacher shall receive credit equal to the number of years the teacher served under an exemption.

#### **125A.10 COORDINATING INTERAGENCY SERVICES.**

If at the time of initial referral for an educational assessment, or a reassessment, the district determines that a child with disabilities who is age 3 through 21 may be eligible for interagency services, the district may request that the county of residence provide a representative to the initial assessment or reassessment team meeting or the first individual education plan team meeting following the assessment or reassessment. The district may request to have a county representative attend other individual education plan team meetings when it is necessary to facilitate coordination between district and county provided services. Upon request from a district, the resident county shall provide a representative to assist the individual education plan team in determining the child's eligibility for existing health, mental health, or other support services administered or provided by the county. The individual education plan team and the county representative must develop an interagency plan of care for an eligible child and the child's family to coordinate services required under the child's individual education plan with county services. The interagency plan of care must include appropriate family information with the consent of the family, a description of how services will be coordinated between the district and county, a description of service coordinator responsibilities and services, and a description of activities for obtaining third-party payment for eligible services, including medical assistance payments. Any state, county, or city government agency responsible for providing services or resources to students with disabilities under this section is subject to the same dispute resolution systems as local school districts, and all such agencies must comply with corrective action requirements that ensue from these systems.

#### **125A.75 SPECIAL EDUCATION PROGRAM APPROVAL; AID PAYMENTS; TRAVEL AID.**

Subd. 6. **Summer school.** By March 15 of each year, districts must submit separate applications for program and budget approval for summer school programs. These applications must be reviewed as provided in subdivision 4. By May 1 of each year, the commissioner shall

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approve, disapprove, or modify the applications and notify the districts of the action and of the estimated amount of aid for the summer school programs.

#### **125A.76 SPECIAL EDUCATION REVENUE.**

Subd. 3. **Adjusted special education base revenue.** For fiscal year 1997 and later, a district's adjusted special education base revenue equals the district's special education base revenue times the ratio of the district's average daily membership for the current school year to the district's average daily membership for the base year.

#### **169.4502 ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.**

Subd. 15. **Oil filter or oil filtration system.** An oil filtration system may be used in lieu of an oil filter.

#### **169.4503 ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.**

Subd. 17. **Mirrors.** After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

Subd. 18. **Overall width.** The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 26. **Crossing control arm.** If a bus is equipped with a crossing control arm, an automatic recycling interrupt switch may be installed for temporary disabling of the crossing control arm.