A bill for an act

relating to education finance; providing funding in early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, teachers, special education, facilities and technology, nutrition, libraries, early childhood and family support, community education and prevention, self-sufficiency and lifelong learning, and state agencies; making forecast adjustments; requiring a report; appropriating money; amending Minnesota Statutes 2016, sections 13.321, by adding a subdivision; 13.461, by adding a subdivision; 43A.08, subdivisions 1, 1a; 120A.22, subdivision 9; 120A.41; 120B.021, subdivisions 1, 3; 120B.022, subdivision 1b; 120B.12, subdivision 2; 120B.22, subdivision 2; 120B.23, subdivision 3; 120B.232, subdivision 1; 120B.30, subdivision 1; 120B.31, subdivision 4, by adding a subdivision; 120B.35, subdivision 3; 120B.36, subdivision 1; 121A.22, subdivision 2; 121A.221; 122A.09, subdivision 4a; 122A.14, subdivision 9; 122A.18, subdivisions 7c, 8; 122A.21, subdivisions 1, 2, by adding a subdivision; 122A.245, subdivisions 1, 2, 3, 10; 122A.40, subdivision 10; 122A.41, by adding a subdivision; 122A.415, subdivision 4; 122A.416; 123A.30, subdivision 6; 123B.41, subdivisions 2, 5a; 123B.42, subdivision 3; 123B.52, subdivision 1, by adding a subdivision; 123B.595, subdivisions 1, 4; 123B.92, subdivisions 1, 9; 124D.03, subdivision 5a; 124D.05, subdivision 3; 124D.09, subdivisions 3, 5, 9, 12, 13, by adding subdivisions; 124D.095, subdivision 3; 124D.1158, subdivisions 3, 4; 124D.135, subdivision 2; 124D.15, subdivision 1; 124D.16, subdivision 2; 124D.165, subdivisions 1, 2, 3, 4; 124D.531, subdivision 1; 124D.549; 124D.55; 124D.59, subdivision 2; 124D.68, subdivision 2; 124E.03, subdivision 2; 124E.11; 125A.08; 125A.0941; 125A.11, subdivision 1; 125A.21, subdivision 2; 125A.515; 125A.56, subdivision 1; 125A.74, subdivision 1; 126C.05, subdivisions 1, 8; 126C.10, subdivisions 2, 2a, 3, 13a; 127A.41, subdivision 3; 127A.45, subdivision 10; 134.31, subdivision 2; 136A.1791, subdivisions 1, 2, 9; 256B.0625, subdivision 26; 256J.08, subdivisions 38, 39; 297A.70, subdivision 2; Laws 2015, First Special Session chapter 3, article 1, section 27, subdivisions 2, as amended, 3, 4, as amended, 6, as amended, 7, as amended, 9, as amended; article 2, section 70, subdivisions 2, as amended, 3, as amended, 4, as amended, 5, as amended, 7, as amended, 11, as amended; article 4, section 9, subdivision 2, as amended; article 5, section 30, subdivisions 2, as amended, 3, as amended, 5, as amended, 6; article 6, section 13, subdivisions 2, as amended, 3, as amended; article 7, section 7, subdivisions 2, as amended, 3, as amended, 4, as amended; article 9, section 8, subdivisions 5, as amended, 6, as amended; article 10, section 3, subdivision 2, as amended; article 11, section 3, subdivision 2, as amended; Laws 2016, chapter 189, article 25, sections 58; 62, subdivisions 7, 17; proposing coding for new law in Minnesota
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2016, section 121A.22, subdivision 2, is amended to read:

Subd. 2.

Exclusions. In addition, this section does not apply to drugs or medicine that are:

1. purchased without a prescription;
2. used by a pupil who is 18 years old or older;
3. used in connection with services for which a minor may give effective consent, including section 144.343, subdivision 1, and any other law;
4. used in situations in which, in the judgment of the school personnel who are present or available, the risk to the pupil's life or health is of such a nature that drugs or medicine should be given without delay;
5. used off the school grounds;
6. used in connection with athletics or extra curricular activities;
7. used in connection with activities that occur before or after the regular school day;
8. provided or administered by a public health agency to prevent or control an illness or a disease outbreak as provided for in sections 144.05 and 144.12;
9. prescription asthma or reactive airway disease medications self-administered by a pupil with an asthma inhaler, consistent with section 121A.221, if the district has received a written authorization from the pupil's parent permitting the pupil to self-administer the medication, the inhaler is properly labeled for that student, and the parent has not requested school personnel to administer the medication to the pupil. The parent must submit written authorization for the pupil to self-administer the medication each school year; or
10. epinephrine auto-injectors, consistent with section 121A.2205, if the parent and prescribing medical professional annually inform the pupil's school in writing that (i) the
pupil may possess the epinephrine or (ii) the pupil is unable to possess the epinephrine and
requires immediate access to epinephrine auto-injectors that the parent provides properly
labeled to the school for the pupil as needed.

Sec. 2. Minnesota Statutes 2016, section 121A.221, is amended to read:

121A.221 POSSESSION AND USE OF ASTHMA INHALERS BY ASTHMATIC
STUDENTS.

(a) Consistent with section 121A.22, subdivision 2, clause (9), in a school district that
employs a school nurse or provides school nursing services under another arrangement, the
school nurse or other appropriate party must assess the student's knowledge and skills to
safely possess and use an asthma inhaler in a school setting and enter into the student's
school health record a plan to implement safe possession and use of asthma inhalers.

(b) Consistent with section 121A.22, subdivision 2, clause (9), in a school that does not
have a school nurse or school nursing services, the student's parent or guardian must submit
written verification from the prescribing professional that documents an assessment of the
student's knowledge and skills to safely possess and use an asthma inhaler in a school setting
has been completed.

Sec. 3. Minnesota Statutes 2016, section 123B.41, subdivision 2, is amended to read:

Subd. 2. Textbook. (a) "Textbook" means any book or book substitute, including
electronic books as well as other printed materials delivered electronically, which a pupil
uses as a text or text substitute in a particular class or program in the school regularly
attended and a copy of which is expected to be available for the individual use of each pupil
in this class or program. Textbook includes an online book with an annual subscription cost.

(b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks,
the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf
form, as well as electronic books and other printed materials delivered electronically,
intended for use as a principal source of study material for a given class or a group of
students.

(c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software
or other educational technology" include only such secular, neutral, and nonideological
materials as are available, used by, or of benefit to Minnesota public school pupils.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2018 and later.
Sec. 4. Minnesota Statutes 2016, section 123B.41, subdivision 5a, is amended to read:

Subd. 5a. **Software or other educational technology.** For purposes of sections 123B.42 and 123B.43, "software or other educational technology" includes software, programs, applications, hardware, and any other electronic educational technology. Software or other educational technology includes course registration fees for advanced placement courses delivered online.

**EFFECTIVE DATE.** This section is effective for revenue in fiscal year 2018 and later.

Sec. 5. Minnesota Statutes 2016, section 123B.42, subdivision 3, is amended to read:

Subd. 3. **Cost; limitation.** (a) The cost per pupil of the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests provided for in this section for each school year must not exceed the statewide average expenditure per pupil, adjusted pursuant to clause (b), by the Minnesota public elementary and secondary schools for textbooks, individualized instructional materials and standardized tests as computed and established by the department by February 1 of the preceding school year from the most recent public school year data then available.

(b) The cost computed in clause (a) shall be increased by an inflation adjustment equal to the percent of increase in the formula allowance, pursuant to section 126C.10, subdivision 2, from the second preceding school year to the current school year. Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus $414 in determining the inflation adjustment for fiscal years 2015 and 2016.

(c) (b) The commissioner shall allot to the districts or intermediary service areas the total cost for each school year of providing or loaning the textbooks, individualized instructional or cooperative learning materials, software or other educational technology, and standardized tests for the pupils in each nonpublic school. The allotment shall not exceed the product of the statewide average expenditure per pupil, according to clause (a), adjusted pursuant to clause (b), multiplied by the number of nonpublic school pupils who make requests pursuant to this section and who are enrolled as of September 15 of the current school year.

**EFFECTIVE DATE.** This section is effective for fiscal year 2018 and later.
Sec. 6. Minnesota Statutes 2016, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. Definitions. For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type III vehicles, as defined in section 169.011, subdivision 71, which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;
(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person or other location chosen by the pupil's parent or guardian, or an after-school program for children operated by a political subdivision of the state, as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility, residence, or program is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of full-service school zones, extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals,
and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes;

(vii) transportation of pupils for a curricular field trip activity on a school bus equipped with a power lift when the power lift is required by a student's disability or section 504 plan; and

(viii) services described in clauses (i) to (vii), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individualized education program or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education initial aid under section 125A.76, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a student in a shelter care facility as defined in section 260C.007, subdivision 30, a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a). For purposes of subitem (A), a school
district may transport a child who does not have a school of origin to the same school attended by that child's sibling, if the siblings are homeless or in a shelter care facility.

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

EFFECTIVE DATE. This section is effective retroactively from December 10, 2016.

Sec. 7. Minnesota Statutes 2016, section 123B.92, subdivision 9, is amended to read:

Subd. 9. Nonpublic pupil transportation aid. (a) A district's nonpublic pupil transportation aid for the 1996-1997 and later school years for transportation services for nonpublic school pupils according to sections 123B.88, 123B.84 to 123B.86, and this section, equals the sum of the amounts computed in paragraphs (b) and (c). This aid does not limit the obligation to transport pupils under sections 123B.84 to 123B.87.

(b) For regular and excess transportation according to subdivision 1, paragraph (b), clauses (1) and (2), an amount equal to the product of:

(1) the district's actual expenditure per pupil transported in the regular and excess transportation categories during the second preceding school year; times and

(2) the number of nonpublic school pupils residing in the district who receive regular or excess transportation service or reimbursement for the current school year; times.

(3) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.
(c) For nonpublic nonregular transportation according to subdivision 1, paragraph (b), clause (5), an amount equal to the product of:

(1) the district's actual expenditure for nonpublic nonregular transportation during the second preceding school year; times

(2) the ratio of the formula allowance pursuant to section 126C.10, subdivision 2, for the current school year to the formula allowance pursuant to section 126C.10, subdivision 2, for the second preceding school year.

(d) Notwithstanding the amount of the formula allowance for fiscal years 2015 and 2016 in section 126C.10, subdivision 2, the commissioner shall use the amount of the formula allowance for the current year minus $414 in determining the nonpublic pupil transportation revenue in paragraphs (b) and (c) for fiscal years 2015 and 2016.

**EFFECTIVE DATE.** This section is effective for fiscal year 2018 and later.

Sec. 8. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:

Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves 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 pupils in average daily membership under this section and section 126C.10, subdivision 2a, paragraph (b). When the initial total average daily membership exceeds 1.2 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.

Sec. 9. Minnesota Statutes 2016, section 126C.10, subdivision 2, is amended to read:

Subd. 2. Basic revenue. The basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2015 is $5,831. The formula allowance for fiscal year 2016 is $5,948. The formula allowance for fiscal year 2017 and later is $6,067. The formula allowance for fiscal year 2018 is $6,158. The formula allowance for fiscal year 2019 and later is $6,249.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2018 and later.

Sec. 10. Minnesota Statutes 2016, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. Extended time revenue. (a) A school district's extended time revenue is equal to the product of $5,117 and the sum of the adjusted pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) Extended time revenue for pupils placed in an on-site education program at the Prairie Lakes Education Center or the Lake Park School, located within the borders of Independent School District No. 347, Willmar, for instruction provided after the end of the preceding regular school year and before the beginning of the following regular school year equals membership hours divided by the minimum annual instructional hours in section 126C.05, subdivision 15, not to exceed 0.20, times the pupil unit weighting in section 126C.05, subdivision 1, times $5,117.

(c) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, vacation break academies such as spring break academies and summer term academies, and other programming authorized under the learning year program.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2018 and later.

Sec. 11. Minnesota Statutes 2016, section 126C.10, subdivision 3, is amended to read:

Subd. 3. Compensatory education revenue. (a) For fiscal year 2014, the compensatory education revenue for each building in the district equals the formula allowance minus $415 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. For fiscal year 2015 and later, The compensatory education revenue for each
building in the district equals the formula allowance for fiscal year 2017 minus $839 times
the compensation revenue pupil units computed according to section 126C.05, subdivision
3. A district's compensatory revenue equals:

(1) the sum of its compensatory revenue for each building in the district;
(2) the amounts computed under paragraph (b); and
(3) the amounts computed under section 126C.131.

(b) A district's additional compensatory revenue equals the amount designated under
Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 8, for fiscal
year 2018. Revenue shall be paid to the district and must be allocated according to section
126C.15, subdivision 2.

(b) (c) When the district contracting with an alternative program under section 124D.69
changes prior to the start of a school year, the compensatory revenue generated by pupils
attending the program shall be paid to the district contracting with the alternative program
for the current school year, and shall not be paid to the district contracting with the alternative
program for the prior school year.

(e) (d) When the fiscal agent district for an area learning center changes prior to the start
of a school year, the compensatory revenue shall be paid to the fiscal agent district for the
current school year, and shall not be paid to the fiscal agent district for the prior school year.

(e) For fiscal years 2018 to 2022 only, the amount in paragraph (b) is increased by 75
percent of the difference between the amounts calculated under Laws 2015, First Special
Session chapter 3, article 2, section 70, subdivision 8, for fiscal years 2017 and 2018.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2018 and later.

Sec. 12. Minnesota Statutes 2016, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. Operating capital levy. To obtain operating capital revenue, a district may
levy an amount not more than the product of its operating capital revenue for the fiscal year
times the lesser of one or the ratio of its adjusted net tax capacity per adjusted pupil unit to
the operating capital equalizing factor. The operating capital equalizing factor equals 15,740
for fiscal year 2017, $19,072 for fiscal year 2018, and $22,042 for fiscal year 2019 and later.
Sec. 13. [126C.131] TARGETED COMPENSATORY REVENUE.

12.1 Subdivision 1. Policy and purpose. The policy and purpose of this section are to close the opportunity gap by increasing student performance growth rates and proficiency rates by targeting compensatory revenue to the most productive instructional activities.

12.2 Subd. 2. Eligibility. A school site qualifies for targeted compensatory revenue under this section if the school site receives compensatory revenue under section 126C.10.

12.3 Subdivision 3.

12.4 Subd. 3. Statewide revenue amount. For fiscal year 2018, the total amount available for targeted compensatory revenue under this section is $11,000,000. The total amount available for targeted compensatory revenue for fiscal year 2019 and thereafter is $15,000,000.

12.5 Subd. 4. Targeted compensatory revenue. Each school site’s initial targeted compensatory revenue equals:

12.6 (1) the statewide revenue amount for that year under subdivision 3, divided by the statewide sum of the number of pupils eligible to receive free lunch and 0.5 times the sum of the pupils eligible to receive reduced-price lunch on October 1 of the previous year; and

12.7 (2) the sum of the number of pupils enrolled in the building eligible to receive free lunch and 0.5 times the number of pupils eligible to receive reduced-price lunch on October 1 of the previous year.

12.8 Subd. 5. Participation on Minnesota Comprehensive Assessments. For fiscal years 2018 and later, each school site’s targeted compensatory revenue equals its initial revenue under subdivision 4 multiplied by:

12.9 (1) the lesser of one; or

12.10 (2) the ratio of the school site’s average student participation percentage rate on all of the Minnesota Comprehensive Assessments administered at that site during the previous fiscal year to 95 percent.

12.11 Subd. 6. Revenue uses. (a) Targeted compensatory revenue must be used for extended time activities according to section 126C.10, subdivision 2a, paragraph (c).

12.12 (b) Targeted compensatory revenue generated at a school site under this section may be used at any school site, provided the services are provided to the students enrolled at the site generating the revenue.
Sec. 14. Minnesota Statutes 2016, section 127A.41, subdivision 3, is amended to read:

Subd. 3. Audits. The commissioner shall establish procedures for conducting and shall conduct audits of district records and files for the purpose of verifying district pupil counts, levy limitations, and aid entitlements. The commissioner shall establish procedures for selecting and shall select districts to be audited. Disparities, if any, between pupil counts, levy limitations, or aid entitlements determined by audit of district records and files and data reported by districts in reports, claims and other documents shall be reviewed by the commissioner who shall order increases or decreases accordingly. Whenever possible, the commissioner shall audit at least 25 districts each year pursuant to this subdivision.

Procedures adopted under this subdivision are not subject to chapter 14, including section 14.386, and may differ from the procedures under section 127A.42.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 15. Minnesota Statutes 2016, section 127A.45, subdivision 10, is amended to read:

Subd. 10. Payments to school nonoperating funds. Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in six equal monthly installments from July through December. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

Sec. 16. LEGISLATIVE STUDY GROUP ON SCHOOL FINANCE.

(a) A 12-member legislative study group on school finance is created to review Minnesota's school finance system and recommend changes to make it more equitable and efficient. The study group must submit a written report by February 1, 2018, to the legislature recommending how to restructure Minnesota's school finance system. The study group must publicly adopt goals for Minnesota's school funding system and identify specific formula changes to implement those goals. The study group must examine compensatory revenue and funding for regular instruction, special education, and facilities. The study group may also examine other areas of Minnesota's school finance system. In developing its
recommendations, the study group must identify and include in its report any statutory changes needed to implement the study group's recommendations.

(b) The legislative study group on school finance includes:

(1) six duly elected and currently serving members of the house of representatives, three appointed by the speaker of the house and three appointed by the house minority leader, and one of whom must be the current chair of the house of representatives Education Finance Committee or the chair's designee; and

(2) six duly elected and currently serving senators, three appointed by the senate majority leader and three appointed by the senate minority leader, one of whom must be the current chair of the senate Education Finance Committee or the chair's designee.

Only duly elected and currently serving members of the house of representatives or senate may be study group members.

(c) The appointments must be made by June 1, 2017, and expire February 2, 2018. If a vacancy occurs, the leader of the caucus in the house of representatives or senate to which the vacating study group member belonged must fill the vacancy. The chair of the house of representatives Education Finance Committee shall convene the first meeting of the study group. The study group shall elect a chair or cochairs from among the members at the first meeting. The study group must meet periodically. The Legislative Coordinating Commission shall provide technical and administrative assistance upon request.

(d) In performing its tasks, the study group must consult with interested and affected stakeholders.

(e) The study group expires February 2, 2018, unless extended by law.

Sec. 17. NEVIS SCHOOL DISTRICT; LEVY ADJUSTMENT.

Notwithstanding Minnesota Statutes, section 126C.48, Independent School District No. 308, Nevis, at the discretion of its school board, may spread any levy adjustment remaining from the conversion of its operating referendum revenue over three or fewer years beginning with school property taxes for taxes payable in 2018.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 18. 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. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

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The 2018 appropriation includes $686,828,000 for 2017 and $6,295,002,000 for 2018.

The 2019 appropriation includes $699,444,000 for 2018 and $6,436,088,000 for 2019.

Subd. 3. Enrollment options transportation. For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

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Subd. 4. Abatement aid. For abatement aid under Minnesota Statutes, section 127A.49:

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<tr>
<td>2019</td>
<td>$2,163,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $262,000 for 2017 and $2,112,000 for 2018.

The 2019 appropriation includes $234,000 for 2018 and $1,929,000 for 2019.

Subd. 5. Consolidation transition aid. For districts consolidating under Minnesota Statutes, section 123A.485:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$185,000</td>
</tr>
<tr>
<td>2019</td>
<td>$382,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $0 for 2017 and $185,000 for 2018.

The 2019 appropriation includes $20,000 for 2018 and $362,000 for 2019.

Subd. 6. Nonpublic pupil education aid. For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$18,138,000</td>
</tr>
<tr>
<td>2019</td>
<td>$18,987,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $1,687,000 for 2017 and $16,451,000 for 2018.
The 2019 appropriation includes $1,827,000 for 2018 and $17,160,000 for 2019.

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$18,049,000</td>
</tr>
<tr>
<td>2019</td>
<td>$17,857,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $1,835,000 for 2017 and $16,214,000 for 2018.

The 2019 appropriation includes $1,801,000 for 2018 and $16,056,000 for 2019.

Subd. 8. **One-room schoolhouse.** For a grant to Independent School District No. 690, Warroad, to operate the Angle Inlet School:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$65,000</td>
</tr>
<tr>
<td>2019</td>
<td>$65,000</td>
</tr>
</tbody>
</table>

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$4,561,000</td>
</tr>
<tr>
<td>2019</td>
<td>$4,125,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $476,000 for 2017 and $4,085,000 for 2018.

The 2019 appropriation includes $453,000 for 2018 and $3,672,000 for 2019.

Sec. 19. **REPEALER.**

Minnesota Statutes 2016, section 124D.73, subdivision 2, is repealed.

**ARTICLE 2**

**EDUCATION EXCELLENCE**

Section 1. Minnesota Statutes 2016, section 120A.22, subdivision 9, is amended to read:

Subd. 9. **Curriculum Knowledge and skills.** Instruction must be provided in at least the following subject areas:

<table>
<thead>
<tr>
<th>Subject Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Basic Communication skills including reading and writing, literature, and fine arts;</td>
</tr>
<tr>
<td>2. Mathematics and science;</td>
</tr>
<tr>
<td>3. Social studies including history, geography, economics, government, and citizenship;</td>
</tr>
</tbody>
</table>
Instruction, textbooks, and materials must be in the English language. Another language may be used pursuant to sections 124D.59 to 124D.61.

Sec. 2. Minnesota Statutes 2016, section 120A.41, is amended to read:

120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.

(a) A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. The school calendar for a prekindergarten student under section 124D.151, if offered by the district, must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the commissioner under section 124D.126.

(b) A school board's annual school calendar may include plans for up to five days of instruction provided through online instruction due to inclement weather. The inclement weather plans must be developed according to section 120A.414.

Sec. 3. [120A.414] E-LEARNING DAYS.

Subdivision 1. Days. "E-learning day" means a school day where a school offers full access to online instruction provided by students' individual teachers due to inclement weather. A school district or charter school that chooses to have e-learning days may have up to five e-learning days in one school year. An e-learning day is counted as a day of instruction and included in the hours of instruction under section 120A.41.

Subd. 2. Plan. A school board may adopt an e-learning day plan after consulting with the exclusive representative of the teachers. A charter school may adopt an e-learning day plan after consulting with its teachers. The plan must include accommodations for students without Internet access at home and for digital device access for families without the technology or an insufficient amount of technology for the number of children in the household. A school's e-learning day plan must provide accessible options for students with disabilities under chapter 125A.

Subd. 3. Annual notice. A school district or charter school must notify parents and students of the e-learning day plan at the beginning of the school year.
Subd. 4. Daily notice. On an e-learning day declared by the school, a school district or charter school must notify parents and students at least two hours prior to the normal school start time that students need to follow the e-learning day plan for that day.

Subd. 5. Teacher access. Each student's teacher must be accessible both online and by telephone during normal school hours on an e-learning day to assist students and parents.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 4. Minnesota Statutes 2016, section 120B.021, subdivision 1, is amended to read:

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

(1) language arts;
(2) mathematics;
(3) science;
(4) social studies, including history, geography, economics, and government and citizenship that includes civics consistent with section 120B.02, subdivision 3;
(5) physical education;
(6) health, for which locally developed academic standards apply; and
(7) 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.

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

(c) Beginning in the 2016-2017 school year, The department must adopt the most recent National Association of Sport and Physical Education SHAPE America (Society of Health and Physical Educators) kindergarten through grade 12 standards and benchmarks for physical education as the required physical education academic standards. The department
may modify and adapt the national standards to accommodate state interest. The modification
and adaptations must maintain the purpose and integrity of the national standards. The
department must make available sample assessments, which school districts may use as an
alternative to local assessments, to assess students’ mastery of the physical education
standards beginning in the 2018-2019 school year.

(d) A school district may include child sexual abuse prevention instruction in a health
curriculum, consistent with paragraph (a), clause (6). Child sexual abuse prevention
instruction may include age-appropriate instruction on recognizing sexual abuse and assault,
boundary violations and unwanted forms of touching or contact, and ways offenders groom
or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and
mobilize bystanders. A school district may provide instruction under this paragraph in a
variety of ways, including at an annual assembly or classroom presentation. A school district
may also provide parents information on the warning signs of child sexual abuse and available
resources.

(d) (e) District efforts to develop, implement, or improve instruction or curriculum as a
result of the provisions of this section must be consistent with sections 120B.10, 120B.11,
and 120B.20.

Sec. 5. Minnesota Statutes 2016, section 120B.021, subdivision 3, is amended to read:

Subd. 3. Rulemaking. The commissioner, consistent with the requirements of this section
and section 120B.022, must adopt statewide rules under section 14.389 for implementing
statewide rigorous core academic standards in language arts, mathematics, science, social
studies, physical education, and the arts. After the rules authorized under this subdivision
are initially adopted, the commissioner may not amend or repeal these rules nor adopt new
rules on the same topic without specific legislative authorization. The academic standards
for language arts, mathematics, and the arts must be implemented for all students beginning
in the 2003-2004 school year. The academic standards for science and social studies must
be implemented for all students beginning in the 2005-2006 school year.

Sec. 6. Minnesota Statutes 2016, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. State bilingual and multilingual seals. (a) Consistent with efforts to strive
for the world’s best workforce under sections 120B.11 and 124E.03, subdivision 2, paragraph
(i), and close the academic achievement and opportunity gap under sections 124D.861 and
124D.862, voluntary state bilingual and multilingual seals are established to recognize high
school students in any school district, charter school, or nonpublic school who demonstrate
an advanced-low level or an intermediate high level of functional proficiency in listening,
speaking, reading, and writing on either assessments aligned with American Council on the
Teaching of Foreign Languages' (ACTFL) proficiency guidelines or on equivalent valid
and reliable assessments in one or more languages in addition to English. American Sign
Language is a language other than English for purposes of this subdivision and a world
language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

(1) students must satisfactorily complete all required English language arts credits; and

(2) students must demonstrate mastery of Minnesota's English language proficiency
standards.

(c) Consistent with this subdivision, a high school student who demonstrates an
intermediate high ACTFL level of functional proficiency in one language in addition to
English is eligible to receive the state bilingual gold seal. A high school student who
demonstrates an intermediate high ACTFL level of functional native proficiency in more
than one language in addition to English is eligible to receive the state multilingual gold
seal. A high school student who demonstrates an advanced-low ACTFL level of functional
proficiency in one language in addition to English is eligible to receive the state bilingual
platinum seal. A high school student who demonstrates an advanced-low ACTFL level of
functional proficiency in more than one language in addition to English is eligible to receive
the state multilingual platinum seal.

(d) School districts and charter schools may give students periodic opportunities to
demonstrate their level of proficiency in listening, speaking, reading, and writing in a
language in addition to English. Where valid and reliable assessments are unavailable, a
school district or charter school may rely on evaluators trained in assessing under ACTFL
proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language
proficiency under this section. School districts and charter schools must maintain appropriate
records to identify high school students eligible to receive the state bilingual or multilingual
gold and platinum seals. The school district or charter school must affix the appropriate seal
to the transcript of each high school student who meets the requirements of this subdivision
and may affix the seal to the student's diploma. A school district or charter school must not
charge the high school student a fee for this seal.

(e) A school district or charter school may award elective course credits in world
languages to a student who demonstrates the requisite proficiency in a language other than
English under this section.
(f) A school district or charter school may award community service credit to a student who demonstrates an intermediate high or advanced-low ACTFL level of functional proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) The commissioner must list on the Web page those assessments that are aligned to ACTFL proficiency guidelines.

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

Sec. 7. Minnesota Statutes 2016, section 120B.12, subdivision 2, is amended to read:

Subd. 2. Identification; report. (a) Each school district shall identify before the end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before the end of the current school year and shall identify students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher. Reading assessments in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of English learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results to the commissioner by July 1. The district also must annually report to the commissioner by July 1 a summary of the district's efforts to screen and identify students with:

(1) dyslexia, using screening tools such as those recommended by the department's dyslexia and literacy specialist; or

(2) convergence insufficiency disorder to the commissioner by July 1.
(b) A student identified under this subdivision must be provided with alternate instruction under section 125A.56, subdivision 1.

Sec. 8. [120B.122] DYSLEXIA SPECIALIST.

Subdivision 1. Purpose. The department must employ a dyslexia specialist to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders. The dyslexia specialist shall also act to increase professional awareness and instructional competencies to meet the educational needs of students with dyslexia or identified with risk characteristics associated with dyslexia and shall develop implementation guidance and make recommendations to the commissioner consistent with section 122A.06, subdivision 4, to be used to assist general education teachers and special education teachers to recognize educational needs and to improve literacy outcomes for students with dyslexia or identified with risk characteristics associated with dyslexia.

Subd. 2. Definition. For purposes of this section, a "dyslexia specialist" means a dyslexia therapist, licensed psychologist, licensed speech-language pathologist, or certified dyslexia training specialist who has a minimum of three years of field experience in screening, identifying, and treating dyslexia and related disorders.

Subd. 3. Requirements. A dyslexia specialist shall be highly trained in dyslexia and related disorders and in using interventions and treatments that are evidence-based, multisensory, direct, explicit, structured, and sequential in the areas of phonics, phonemic awareness, vocabulary, fluency, and comprehension.

Sec. 9. Minnesota Statutes 2016, section 120B.22, subdivision 2, is amended to read:

Subd. 2. In-service training. Each district is encouraged to provide training for district staff and school board members to help on the following:

(1) helping students identify violence in the family and the community so that students may learn to resolve conflicts in effective, nonviolent ways;

(2) responding to a disclosure of child sexual abuse in a supportive, appropriate manner; and

(3) complying with mandatory reporting requirements under section 626.556.

The in-service training must be ongoing and involve experts familiar with sexual abuse, domestic violence, and personal safety issues.
Sec. 10. Minnesota Statutes 2016, section 120B.23, subdivision 3, is amended to read:

Subd. 3. Grant awards. (a) The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed $3 per resident pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

(b) School districts and charter schools may accept funds from private and other public sources for child sexual abuse prevention programs developed and implemented under sections 120B.021, subdivision 1, paragraph (d), and 120B.234, including federal funding under the Every Student Succeeds Act.

Sec. 11. Minnesota Statutes 2016, section 120B.232, subdivision 1, is amended to read:

Subdivision 1. Character development education. (a) Character education is the shared responsibility of parents, teachers, and members of the community. The legislature encourages districts to integrate or offer instruction on character education including, but not limited to, character qualities such as attentiveness, truthfulness, respect for authority, diligence, gratefulness, self-discipline, patience, forgiveness, respect for others, peacemaking, and resourcefulness. Instruction should be integrated into a district's existing programs, curriculum, or the general school environment. To the extent practicable, instruction should be integrated into positive behavioral intervention strategies, under section 122A.627. The commissioner shall provide assistance at the request of a district to develop character education curriculum and programs.

(b) Character development education under paragraph (a) may include a voluntary elementary, middle, and high school program that incorporates the history and values of Congressional Medal of Honor recipients and may be offered as part of the social studies, English language arts, or other curriculum, as a schoolwide character building and veteran awareness initiative, or as an after-school program, among other possibilities.

Sec. 12. 120B.234] CHILD SEXUAL ABUSE PREVENTION EDUCATION.

Subdivision 1. Purpose. The purpose of this section, which may be cited as "Erin's Law," is to encourage districts to integrate or offer instruction on child sexual abuse prevention to students and training to all school personnel on recognizing and preventing sexual abuse and sexual violence.

Subd. 2. Curriculum. School districts may consult with other federal, state, or local agencies and community-based organizations, including the Child Information Gateway...
Web site maintained by the United States Department of Health and Human Services, to identify research-based tools, curricula, and programs to prevent child sexual abuse for use under section 120B.021, subdivision 1, paragraph (d).

Subd. 3. Other state programs. The child sexual abuse prevention instruction provided under this section is part of preventing sexual violence against children, which includes, but is not limited to, the following activities:

1. training on mandated reporting requirements provided on the Department of Education's Web site;
2. the Code of Ethics for Minnesota Teachers; and
3. consultation by the commissioner of education with the commissioners of health, human services, and public safety, and other state agencies to prevent violence against children.

Subd. 4. Report. The commissioner of education must submit a report by November 1, 2019, to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education, providing information regarding child sexual abuse prevention programs developed and implemented by school districts and charter schools. The report must include information regarding the students and personnel served, program activities, and program revenue sources and expenditures.

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

Sec. 13. Minnesota Statutes 2016, section 120B.30, subdivision 1, is amended to read:

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 as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year.

1. Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation-required assessment for diploma in reading, mathematics,
or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c),
clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass
college placement test, (iv) the ACT assessment for college admission, (v) a nationally
recognized armed services vocational aptitude test.

(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible
to be assessed under (i) the graduation-required assessment for diploma in reading,
mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1,
paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass
college placement test, (iv) the ACT assessment for college admission, (v) a nationally
recognized armed services vocational aptitude test.

(3) For students under clause (1) or (2), a school district may substitute a score from an
alternative, equivalent assessment to satisfy the requirements of this paragraph.

(b) The state assessment system must be aligned to the most recent revision of academic
standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012
school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the
2012-2013 school year.

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) an opportunity to participate on a nationally normed college entrance exam, in grade 11 or grade 12;

(2) achievement and career and college readiness in mathematics, reading, and writing, consistent with paragraph (k) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or
remediation; and, based on analysis of students' progress and performance data, determine
students' learning and instructional needs and the instructional tools and best practices that
support academic rigor for the student; and

(3) (2) consistent with this paragraph and section 120B.125, age-appropriate exploration
and planning activities and career assessments to encourage students to identify personally
relevant career interests and aptitudes and help students and their families develop a regularly
reexamined transition plan for postsecondary education or employment without need for
postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program
may satisfy state graduation requirements by achieving an individual score on the
state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness under
this subdivision must be comparable in rigor, clarity of purpose, and rates of student
completion.

A student under paragraph (c), clause (2)(1), must receive targeted, relevant, academically
rigorous, and resourced instruction, which may include a targeted instruction and intervention
plan focused on improving the student's knowledge and skills in core subjects so that the
student has a reasonable chance to succeed in a career or college without need for
postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49,
and related sections, an enrolling school or district must actively encourage a student in
grade 11 or 12 who is identified as academically ready for a career or college to participate
in courses and programs awarding college credit to high school students. Students are not
required to achieve a specified score or level of proficiency on an assessment under this
subdivision to graduate from high school.

(e) Though not a high school graduation requirement, students are encouraged to
participate in a nationally recognized college entrance exam. To the extent state funding
for college entrance exam fees is available, a district must pay the cost reimburse a student
in grade 11 or 12 who is eligible for a free or reduced-price meal, one time, for an interested
student in grade 11 or 12 to take for the registration fees associated with a nationally
recognized college entrance exam before graduating. A student must be able to take the
exam under this paragraph at the student's high school during the school day and at any one
of the multiple exam administrations available to students in the district. In order to comply
with this subdivision, a district may administer the ACT or SAT or both the ACT and SAT
to comply with this paragraph at the student's high school or arrange for the student to take

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the exam at another location. If the district administers only one of these two tests and a
student opts not to take that test and chooses instead to take the other of the two tests, the
A free or reduced-price meal eligible student may take the other test exam at a different
time or location and remains eligible for the examination fee reimbursement.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities
must collaborate in aligning instruction and assessments for adult basic education students
and English learners to provide the students with diagnostic information about any targeted
interventions, accommodations, modifications, and supports they need so that assessments
and other performance measures are accessible to them and they may seek postsecondary
education or employment without need for postsecondary remediation. When administering
formative or summative assessments used to measure the academic progress, including the
oral academic development, of English learners and inform their instruction, schools must
ensure that the assessments are accessible to the students and students have the modifications
and supports they need to sufficiently understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements to
help students, beginning no later than grade 9, and their families explore and plan for
postsecondary education or careers based on the students' interests, aptitudes, and aspirations.
Districts and schools must use timely regional labor market information and partnerships,
among other resources, to help students and their families successfully develop, pursue,
review, and revise an individualized plan for postsecondary education or a career. This
process must help increase students' engagement in and connection to school, improve
students' knowledge and skills, and deepen students' understanding of career pathways as
a sequence of academic and career courses that lead to an industry-recognized credential,
an associate's degree, or a bachelor's degree and are available to all students, whatever their
interests and career goals.

(h) A student who demonstrates attainment of required state academic standards, which
include career and college readiness benchmarks, on high school assessments under
subdivision 1a is academically ready for a career or college and is encouraged to participate
in courses awarding college credit to high school students. Such courses and programs may
include sequential courses of study within broad career areas and technical skill assessments
that extend beyond course grades.

(i) As appropriate, students through grade 12 must continue to participate in targeted
instruction, intervention, or remediation and be encouraged to participate in courses awarding
college credit to high school students.
(j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

(l) The school board granting students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(m) The 3rd through 8th grade computer-adaptive assessment results and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 8. The commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, must establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness consistent with section 136F.302, subdivision 1a. The commissioner must disseminate to the public the computer-adaptive assessments and high school test results upon receiving those results.

(n) The grades 3 through 8 computer-adaptive assessments and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(o) The commissioner shall include the following components in the statewide public reporting system:
uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and testing at the high school levels that provides appropriate, technically sound accommodations or alternate assessments;

(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) 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.

For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability of families and educators to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

Sec. 14. Minnesota Statutes 2016, section 120B.31, is amended by adding a subdivision to read:

Subd. 3a. **Rollout sites; report.** The commissioner of education shall designate up to six school districts or charter schools as rollout sites.

(a) The rollout sites should represent urban school districts, suburban school districts, nonurban school districts, and charter schools. The commissioner shall designate rollout sites and notify the schools by August 1, 2017, and the designated school districts or charter schools shall have the right to opt-out or opt-in as rollout sites by September 1, 2017.

(b) The commissioner must consult stakeholders and review the American Community Survey to develop recommendations for best practices for disaggregated data. Stakeholders consulted under this paragraph include at least:
(1) the rollout sites;

(2) parent groups; and

(3) community representatives.

c) The commissioner shall report to the legislative committees having jurisdiction over kindergarten through grade 12 education policy and finance by February 1, 2018. The commissioner may research best practices from other states that have disaggregated data beyond the requirements of the most recent reauthorization of the Elementary and Secondary Education Act. The recommendations may address:

(1) the most meaningful use of disaggregated data, including but not limited to which reports should include further disaggregated data;

(2) collection of additional student characteristics, including but not limited to ensuring enhanced enrollment forms:

   (i) provide context and the objective of additional data;

   (ii) are designed to convey respect and acknowledgment of the sensitive nature of the additional data; and

   (iii) are designed to collect data consistent with user feedback;

(3) efficient data-reporting approaches when reporting additional information to the department;

(4) the frequency by which districts and schools must update enrollment forms to meet the needs of the state’s changing racial and ethnic demographics; and

(5) the criteria for determining additional data. This recommendation should include a recommendation for frequency of reviews and updates of the additional data and should also identify the approach of updating any additional census data and data on new enrollees. This recommendation must consider additional student groups that may face education disparities and must take into account maintaining student privacy and providing nonidentifiable student level data.

**EFFECTIVE DATE.** This section is effective for the 2018-2019 school year and later.

Sec. 15. Minnesota Statutes 2016, section 120B.31, subdivision 4, is amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate and disaggregate student data over time to...
31.1 report summary student performance and growth levels and, under section 120B.11,
31.2 subdivision 2, clause (2), student learning and outcome data measured at the school, school
31.3 district, and statewide level. The commissioner shall use the student categories identified
31.4 under the federal Elementary and Secondary Education Act, as most recently reauthorized,
31.5 and student categories of:
31.6   (1) homelessness;
31.7   (2) ethnicity, under section 120B.35, subdivision 3, paragraph (a), clause (2);
31.8   (3) race, under section 120B.35, subdivision 3, paragraph (a), clause (2);
31.9   (4) home language, immigrant, refugee status;
31.10   (5) English learners under section 124D.59;
31.11   (6) free or reduced-price lunch; and
31.12   (7) other categories designated by federal law to organize and report the data so that
31.13 state and local policy makers can understand the educational implications of changes in
31.14 districts' demographic profiles over time as data are available.
31.15 Any report the commissioner disseminates containing summary data on student performance
31.16 must integrate student performance and the demographic factors that strongly correlate with
31.17 that performance.

**EFFECTIVE DATE.** This section is effective for the 2019-2020 school year and later.

Sec. 16. Minnesota Statutes 2016, section 120B.35, subdivision 3, is amended to read:

**Subd. 3. State growth target; other state measures.** (a)(1) The state's educational
assessment system measuring individual students' educational growth is based on indicators
of achievement growth that show an individual student's prior achievement. Indicators of
achievement and prior achievement must be based on highly reliable statewide or districtwide
assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and
report separate categories of information using the student categories identified under the
federal Elementary and Secondary Education Act, as most recently reauthorized, and, in
addition to "other" for each race and ethnicity, and the Karen community, other student
categories as determined by the total Minnesota population at or above the 1,000 person
threshold based on the most recent decennial census, including ethnicity, race, refugee status
seven of the most populous Asian and Pacific Islander groups, three of the most populous
Native groups, seven of the most populous Hispanic/Latino groups, and five of the most

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populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey; English learners under section 124D.59; home language; free or reduced-price lunch; immigrant; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement a model that uses a value-added growth indicator and includes criteria for identifying schools and school districts that demonstrate medium and high growth under section 120B.299, subdivisions 8 and 9, and may recommend other value-added measures under section 120B.299, subdivision 3. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:

(1) report student growth consistent with this paragraph; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:
(1) a preparation measure indicating the number and percentage of high school graduates
in the most recent school year who completed course work important to preparing them for
postsecondary academic and career opportunities, consistent with the core academic subjects
required for admission to Minnesota’s public colleges and universities as determined by the
Office of Higher Education under chapter 136A; and

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

When reporting the core measures under clauses (1) and (2), the commissioner must also
analyze and report separate categories of information using the student categories identified
under the federal Elementary and Secondary Education Act, as most recently reauthorized,
and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the
commissioner annually, beginning July 1, 2014, must report summary data on school safety
and students' engagement and connection at school, consistent with the student categories
identified under paragraph (a), clause (2). The summary data under this paragraph are
separate from and must not be used for any purpose related to measuring or evaluating the
performance of classroom teachers. The commissioner, in consultation with qualified experts
on student engagement and connection and classroom teachers, must identify highly reliable
variables that generate summary data under this paragraph. The summary data may be used
at school, district, and state levels only. Any data on individuals received, collected, or
created that are used to generate the summary data under this paragraph are nonpublic data
under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify
and report measures that demonstrate the success of learning year program providers under
sections 123A.05 and 124D.68, among other such providers, in improving students'
graduation outcomes. The commissioner, beginning July 1, 2015, must annually report
summary data on:

(1) the four- and six-year graduation rates of students under this paragraph;

(2) the percent of students under this paragraph whose progress and performance levels
are meeting career and college readiness benchmarks under section 120B.30, subdivision
1; and
the success that learning year program providers experience in:

(i) identifying at-risk and off-track student populations by grade;
(ii) providing successful prevention and intervention strategies for at-risk students;
(iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
(iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting four- and six-year graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later for rollout sites under Minnesota Statutes, section 120B.31, subdivision 3a. This section is effective for the 2019-2020 school year and later for all other schools.

Sec. 17. Minnesota Statutes 2016, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. School performance reports and public reporting. (a) The commissioner shall report student academic performance data under section 120B.35, subdivisions 2 and 3; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35,
subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under section 124D.59; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; foster care status, including all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness, and district mobility; and extracurricular activities. The report also must indicate a school's status under applicable federal law.

(b) The school performance report for a school site and a school district must include school performance reporting information and calculate proficiency rates as required by the most recently reauthorized Elementary and Secondary Education Act.

(c) The commissioner shall develop, annually update, and post on the department Web site school performance reports consistent with paragraph (a) and section 120B.11.

(d) The commissioner must make available performance reports by the beginning of each school year.

(e) A school or district may appeal its results in a form and manner determined by the commissioner and consistent with federal law. The commissioner's decision to uphold or deny an appeal is final.

(f) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall annually post school performance reports to the department's public Web site no later than September 1, except that in years when the reports reflect new performance standards, the commissioner shall post the school performance reports no later than October 1.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.
Sec. 18. Minnesota Statutes 2016, section 124D.03, subdivision 5a, is amended to read:

Subd. 5a. **Lotteries.** If a school district has more applications than available seats at a specific grade level, it must hold an impartial lottery following the January 15 deadline to determine which students will receive seats. The district must give priority to enrolling siblings of currently enrolled students, students whose applications are related to an approved integration and achievement plan, and children of the school district's staff. Students residing in that part of a municipality, defined under section 469.1812, subdivision 3, where:

1. the student's resident district does not operate a school building;
2. the nonresident district in which the student seeks to enroll operates one or more school buildings within the municipality; and
3. no other nonresident district operates a school building within the municipality.

The process for the school district lottery must be established in school district policy, approved by the school board, and posted on the school district's Web site.

**EFFECTIVE DATE.** This section is effective for lotteries conducted beginning July 1, 2017.

Sec. 19. Minnesota Statutes 2016, section 124D.09, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings given to them.

(a) "Eligible institution" means a Minnesota public postsecondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the North Central Association of Colleges and Schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota.

(b) "Course" means a course or program.

(c) "Concurrent enrollment" means nonsectarian courses in which an eligible pupil under subdivision 5 or 5b enrolls to earn both secondary and postsecondary credits, are taught by a secondary teacher or a postsecondary faculty member, and are offered at a high school for which the district is eligible to receive concurrent enrollment program aid under section 124D.091.
Sec. 20. Minnesota Statutes 2016, section 124D.09, subdivision 5, is amended to read:

Subd. 5. Authorization; notification. Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if (1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment or (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 21. Minnesota Statutes 2016, section 124D.09, is amended by adding a subdivision to read:

Subd. 5b. Authorization; 9th or 10th grade pupil. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if:

(1) the school district and the eligible postsecondary institution providing the course agree to the student's enrollment; or

(2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals.
Sec. 22. Minnesota Statutes 2016, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only except, notwithstanding other law to the contrary, and for the 2014-2015 through 2019-2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on educational, programmatic, or financial grounds.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil shall not be displaced by another student.

(d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

Sec. 23. Minnesota Statutes 2016, section 124D.09, is amended by adding a subdivision to read:

Subd. 11a. **Access to building and technology.** (a) A school district must allow a student enrolled in a course under this section to remain at the school site during regular school hours.

(b) A school district must adopt a policy that provides a student enrolled in a course under this section with reasonable access during regular school hours to a computer and
other technology resources that the student needs to complete coursework for a postsecondary
enrollment course.

Sec. 24. Minnesota Statutes 2016, section 124D.09, subdivision 12, is amended to read:

Subd. 12. Credits; grade point average weighting policy. (a) A pupil must not audit
a course under this section.

(b) A district shall grant academic credit to a pupil enrolled in a course for secondary
credit if the pupil successfully completes the course. Seven quarter or four semester college
credits equal at least one full year of high school credit. Fewer college credits may be
prorated. A district must also grant academic credit to a pupil enrolled in a course for
postsecondary credit if secondary credit is requested by a pupil. If no comparable course is
offered by the district, the district must, as soon as possible, notify the commissioner, who
shall determine the number of credits that shall be granted to a pupil who successfully
completes a course. If a comparable course is offered by the district, the school board shall
grant a comparable number of credits to the pupil. If there is a dispute between the district
and the pupil regarding the number of credits granted for a particular course, the pupil may
appeal the board's decision to the commissioner. The commissioner's decision regarding
the number of credits shall be final.

(c) A school board must adopt a policy regarding weighted grade point averages for any
high school or dual enrollment course. The policy must state whether the district offers
weighted grades. A school board must annually publish on its Web site a list of courses for
which a student may earn a weighted grade.

(d) The secondary credits granted to a pupil must be counted toward the graduation
requirements and subject area requirements of the district. Evidence of successful completion
of each course and secondary credits granted must be included in the pupil's secondary
school record. A pupil shall provide the school with a copy of the pupil's grade in each
course taken for secondary credit under this section. Upon the request of a pupil, the pupil's
secondary school record must also include evidence of successful completion and credits
granted for a course taken for postsecondary credit. In either case, the record must indicate
that the credits were earned at a postsecondary institution.

(e) If a pupil enrolls in a postsecondary institution after leaving secondary school, the
postsecondary institution must award postsecondary credit for any course successfully
completed for secondary credit at that institution. Other postsecondary institutions may
award, after a pupil leaves secondary school, postsecondary credit for any courses
successfully completed under this section. An institution may not charge a pupil for the
award of credit.

(f) The Board of Trustees of the Minnesota State Colleges and Universities and the
Board of Regents of the University of Minnesota must, and private nonprofit and proprietary
postsecondary institutions should, award postsecondary credit for any successfully completed
courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships
offered according to an agreement under subdivision 10. Consistent with section 135A.101,
subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who
completes for postsecondary credit a postsecondary course or program that is part or all of
a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a
MnSCU institution after leaving secondary school. Once one MnSCU institution certifies
as completed a secondary student's postsecondary course or program that is part or all of a
goal area or a transfer curriculum, every MnSCU institution must consider the student's
course or program for that goal area or the transfer curriculum as completed.

Sec. 25. Minnesota Statutes 2016, section 124D.09, subdivision 13, is amended to read:

Subd. 13. Financial arrangements. For a pupil enrolled in a course under this section,
the department must make payments according to this subdivision for courses that were
taken for secondary credit.

The department must not make payments to a school district or postsecondary institution
for a course taken for postsecondary credit only. The department must not make payments
to a postsecondary institution for a course from which a student officially withdraws during
the first 14 days of the quarter or semester or who has been absent from the postsecondary
institution for the first 15 consecutive school days of the quarter or semester and is not
receiving instruction in the home or hospital.

A postsecondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be
an amount equal to 88 percent of the product of the formula allowance minus $425, multiplied
by 1.2, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall
be an amount equal to 88 percent of the product of the general revenue formula allowance
minus $425, multiplied by 1.2, and divided by 30.

The department must pay to each postsecondary institution 100 percent of the amount
in clause (1) or (2) within 30 to 45 days of receiving initial enrollment information each quarter
or semester. If changes in enrollment occur during a quarter or semester, the change shall
be reported by the postsecondary institution at the time the enrollment information for the
succeeding quarter or semester is submitted. At any time the department notifies a
postsecondary institution that an overpayment has been made, the institution shall promptly
remit the amount due.

Sec. 26. Minnesota Statutes 2016, section 124D.095, subdivision 3, is amended to read:

Subd. 3. Authorization; notice; limitations on enrollment. (a) A student may apply
for full-time enrollment in an approved online learning program under section 124D.03 or
124D.08 or chapter 124E. Notwithstanding sections 124D.03 and 124D.08 and chapter
124E, procedures for enrolling in supplemental online learning are 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. In order to enroll in online learning, the student and the student's
parents must submit an application to the online learning provider and identify the student's
reason for enrolling. An online learning provider that accepts a student under this section
must notify the student and the enrolling district in writing within ten days if the enrolling
district is not the online learning provider. The student and the student's parent must notify
the online learning provider of the student's intent to enroll in online learning within ten
days of being accepted, at which time the student and the student's parent must sign a
statement indicating that they have reviewed the online course or program and understand
the expectations of enrolling in online learning. The online learning provider must use a
form provided by the department to notify the enrolling district of the student's application
to enroll in online learning.

(b) The supplemental online learning notice to the enrolling district when a student
applies to the online learning provider will include the courses or program, credits to be
awarded, and the start date of the online course or program. An online learning provider
must make available the supplemental online course syllabus to the enrolling district. Within
15 days after the online learning provider makes information in this paragraph available to
the enrolling district, the enrolling district must notify the online provider whether the
student, the student's parent, and the enrolling district agree or disagree that the course meets
the enrolling district's graduation requirements. A student may enroll in a supplemental
online learning course up to the midpoint of the enrolling district's term. The enrolling
district may waive this requirement for special circumstances and with the agreement of
the online provider. An online learning course or program that meets or exceeds a graduation
standard or the grade progression requirement of the enrolling district as described in the
provider's online course syllabus meets the corresponding graduation requirements applicable
to the student in the enrolling district. If the enrolling district does not agree that the course
or program meets its graduation requirements, then:

(1) the enrolling district must make available an explanation of its decision to the student,
the student's parent, and the online provider; and

(2) the online provider may make available a response to the enrolling district, showing
how the course or program meets the graduation requirements of the enrolling district.

(c) An online learning provider must notify the commissioner that it is delivering online
learning and report the number of online learning students it accepts and the online learning
courses and programs it delivers.

(d) An online learning provider may limit enrollment if the provider's school board or
board of directors adopts by resolution specific standards for accepting and rejecting students'
applications. Limits to enrollment must not discriminate against any group under chapter
363A.

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

(f) The online provider must report or make available information on an individual
student's progress and accumulated credit to the student, the student's parent, and the enrolling
district in a manner specified by the commissioner unless the enrolling district and the online
provider agree to a different form of notice and notify the commissioner. The enrolling
district must designate a contact person to help facilitate and monitor the student's academic
progress and accumulated credits towards graduation.

Sec. 27. [124D.4535] INNOVATIVE DELIVERY OF CAREER AND TECHNICAL
EDUCATION PROGRAMS; SHARING OF DISTRICT RESOURCES.

Subdivision 1. Establishment; requirements for participation. (a) A program is
established to improve student, career and college readiness, and school outcomes by
allowing groups of school districts to work together in partnership with local and regional
postsecondary institutions and programs, community institutions, and other private, public,
for-profit, and nonprofit workplace partners, to:

(1) provide innovative education programs and activities that integrate core academic
and career and technical subjects in students' programs of study through coordinated
secondary and postsecondary career and technical programs leading to an industry
certification or other credential;

(2) provide embedded professional development for program participants;

(3) use performance assessments in authentic settings to measure students’ technical
skills and progress toward attaining an industry certification or other credential; and

(4) efficiently share district, institution, and workplace resources.

(b) To participate in this program to improve student, career and college readiness, and
school outcomes, a group of two or more school districts must collaborate with school staff
and project partners and receive formal school board approval to form a partnership. The
partnership must develop a plan to provide challenging programmatic options for students
under paragraph (a); create professional development opportunities for educators and other
program participants; increase student engagement and connection and challenging learning
opportunities for diverse populations of students that are focused on employability skills
and technical, job-specific skills related to a specific career pathway; or demonstrate
efficiencies in delivering financial and other services needed to realize plan goals and
objectives. The plan must include:

(1) collaborative education goals and objectives;

(2) strategies and processes to implement those goals and objectives, including a budget
process with periodic expenditure reviews;

(3) valid and reliable measures including performance assessments in authentic settings
and progress toward attaining an industry certification or other credential, among other
measures, to evaluate progress in realizing plan goals and objectives;

(4) an implementation timeline; and

(5) other applicable conditions, regulations, responsibilities, duties, provisions, fee
schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts or other participants under paragraph (a) to
join the partnership after notifying the commissioner.

(c) A partnership of interested districts must submit an application to the commissioner
of education in the form and manner the commissioner determines, consistent with the
requirements of this section. The application must contain the formal approval adopted by
the school board in each district to participate in the plan.
(d) Notwithstanding any other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under section 123B.02; and be subject to employment agreements under chapter 122A, and section 179A.20; and district employees continue to remain employees of the employing school district.

(e) Participating districts must submit a biennial report by February 1 in each odd-numbered year to the education committees of the legislature and the commissioner of education that includes performance assessment, high school graduation, and career and technical certification data to show the success of the partnership in preparing diverse populations of students for careers and jobs.

Subd. 2. Commissioner's role. The commissioner of education must convene an advisory panel to advise the commissioner on applicants' qualifications to participate in this program. The commissioner must ensure an equitable geographical distribution of program participants to the extent practicable. The commissioner must select only those applicants that fully complies with subdivision 1. The commissioner may terminate a program participant that fails to effectively implement the goals and objectives contained in its application and according to its stated timeline.

EFFECTIVE DATE. (a) This section is effective the day following final enactment and applies to those applications submitted after that date.

(b) Districts already approved for an innovation zone pilot project under Laws 2012, chapter 263, section 1, as amended by Laws 2014, chapter 312, article 15, section 24, may continue to operate.

Sec. 28. Minnesota Statutes 2016, section 124D.68, subdivision 2, is amended to read:

Subd. 2. Eligible pupils. (a) A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program, if the pupil:

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;
(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or is an English learner; or

(11) has withdrawn from school or has been chronically truant; or

(12) is being treated in a hospital in the seven-county metropolitan area for cancer or other life threatening illness or is the sibling of an eligible pupil who is being currently treated, and resides with the pupil's family at least 60 miles beyond the outside boundary of the seven-county metropolitan area.

(b) For the 2016-2017 school year only, for fiscal years 2017 and 2018 only, a pupil otherwise qualifying under paragraph (a) who is at least 21 years of age and not yet 22 years of age, is an English learner with an interrupted formal education according to section 124D.59, subdivision 2a, and was in an early middle college program during the previous school year is eligible to participate in the graduation incentives program under section 124D.68 and in concurrent enrollment courses offered under section 124D.09, subdivision 10, and is funded in the same manner as other pupils under this section.

Sec. 29. Minnesota Statutes 2016, section 124E.03, subdivision 2, is amended to read:

Subd. 2. Certain federal, state, and local requirements. (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A charter school must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

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

(e) A charter school must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors must comply with chapter 181 governing requirements for employment.
(g) A charter school must comply with continuing truant notification under section 260A.03.

(h) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13), and place students in classrooms in accordance with section 122A.40, subdivision 8, paragraph (d).

The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(i) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(j) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56.

Sec. 30. Minnesota Statutes 2016, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

(a) A charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

(1) pupils within an age group or grade level;

(2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or

(3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

(b) A charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), shall enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

(c) A charter school shall give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot. A charter school that is located in Duluth township in St. Louis County and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school.
and to the siblings of enrolled children. A charter school may give enrollment preference to children currently enrolled in the school’s free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (a), who are eligible to enroll in kindergarten in the next school year.

(d) A person shall not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its Web site a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in paragraphs (b) and (c).

(e) Except as permitted in paragraph (d), a charter school, including its free preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this section.

(f) The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

(g) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56.

(h) A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

Sec. 31. Minnesota Statutes 2016, section 125A.56, subdivision 1, is amended to read:

Subdivision 1. Requirement. (a) Before a pupil is referred for a special education evaluation, the district must conduct and document at least two instructional strategies,
alternatives, or interventions using a system of scientific, research-based instruction and intervention in academics or behavior, based on the pupil's needs, while the pupil is in the regular classroom. The pupil's teacher must document the results. A special education evaluation team may waive this requirement when it determines the pupil's need for the evaluation is urgent. This section may not be used to deny a pupil's right to a special education evaluation.

(b) A school district shall use alternative intervention services, including the assurance of mastery program under section 124D.66, or an early intervening services program under subdivision 2 to serve at-risk pupils who demonstrate a need for alternative instructional strategies or interventions.

c) A student identified as being unable to read at grade level under section 120B.12, subdivision 2, paragraph (a), must be provided with alternate instruction under this subdivision that is multisensory, systematic, sequential, cumulative, and explicit.

Sec. 32. Minnesota Statutes 2016, section 126C.05, subdivision 8, is amended to read:

Subd. 8. **Average daily membership.** (a) Membership for pupils in grades kindergarten through 12 and for prekindergarten pupils with disabilities shall mean the number of pupils on the current roll of the school, counted from the date of entry until withdrawal. The date of withdrawal shall mean the day the pupil permanently leaves 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 or are providing e-learning days due to inclement weather. 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 pupils in average daily membership under this section. When the initial total average daily membership exceeds 1.2 for a pupil enrolled in more than one school district during the fiscal year, each district's average daily membership must be reduced proportionately.

Article 2 Sec. 32.
(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.

Sec. 33. Laws 2016, chapter 189, article 25, section 62, subdivision 7, is amended to read:

Subd. 7. Education Innovation Partners Cooperative Center. (a) For a matching grant to Education Innovation Partners Cooperative Center, No. 6091-50, to provide research-based professional development services, on-site training, and leadership coaching to teachers and other school staff:

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<tbody>
<tr>
<td></td>
<td>$500,000</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>90,000</td>
<td>2017</td>
</tr>
<tr>
<td>10</td>
<td>310,000</td>
<td>2018</td>
</tr>
</tbody>
</table>

(b) $410,000 of the $500,000 appropriation in Laws 2016, chapter 189, article 25, section 62, subdivision 7, is canceled to the state general fund on June 30, 2017.

(c) A grant under this subdivision must be matched with money or in-kind contributions from nonstate sources. This is a onetime appropriation. This appropriation is available until June 30, 2019.

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

Sec. 34. Laws 2016, chapter 189, article 25, section 62, subdivision 17, is amended to read:

Subd. 17. Southwest Minnesota State University special education teacher education program. (a) For the Southwest Minnesota State University special education teacher education program to support Minnesota residents working toward licensure in an online program, including persons currently employed as:

1. special education paraprofessionals working toward licensure in an online program;
2. teachers without a special education license working on a variance; or
3. individuals teaching with a community expert license:

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<tbody>
<tr>
<td></td>
<td>385,000</td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>132,000</td>
<td>2017</td>
</tr>
<tr>
<td>27</td>
<td>253,000</td>
<td>2018</td>
</tr>
</tbody>
</table>

(b) $253,000 of the $385,000 appropriation in Laws 2016, chapter 189, article 25, section 62, subdivision 17, is canceled to the state general fund on June 30, 2017.

The base for this program in fiscal year 2018 is $0. (c) The 2018 appropriation is available until June 30, 2019.
50.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.

50.2 Sec. 35. **COMMISSIONER OF EDUCATION MUST SUBMIT ESSA PLAN TO LEGISLATURE.**

50.3 (a) The commissioner of education must submit the state plan developed pursuant to the Elementary and Secondary Education Act of 1965, as amended by the Every Student Succeeds Act, United States Code, title 20, section 6311, to the education policy and finance committees of the legislature before submitting the plan to the United States Department of Education. The commissioner of education must not implement the state plan until the legislature has approved it.

50.4 (b) The state plan must be consistent and aligned, to the extent practicable, with the performance accountability measures required under Minnesota Statutes, section 120B.11, subdivision 1a, to create a single accountability system for all public schools.

50.5 (c) The state plan must include indicators of school quality or student success based on the following:

50.6 (1) for elementary and secondary schools:

50.7 (i) reading and math growth for students performing in the bottom quartile, as measured on the state accountability assessments, and using growth to proficiency standards;

50.8 (ii) third grade reading proficiency as measured on the state accountability assessments;

50.9 (iii) eighth grade mathematics proficiency as measured on state accountability assessments; and

50.10 (iv) science proficiency as measured on state accountability assessments.

50.11 (2) career and college readiness of high school students as measured by:

50.12 (i) the high school accountability assessments;

50.13 (ii) student success or attainment on advanced placement or international baccalaureate examinations;

50.14 (iii) college-level examination program examinations;

50.15 (iv) credits under Minnesota Statutes, section 124D.09; and

50.16 (v) industry-recognized certifications.

50.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.
Sec. 36. AFTER-SCHOOL COMMUNITY LEARNING GRANTS.

Subdivision 1. Grant program established. A competitive grant program is established to support community-based organizations, schools, political subdivisions, or child care centers that service young people in kindergarten through grade 12 after school or during nonschool hours. Grants must be used to offer enrichment activities that promote positive youth development, including mentoring, leadership, community engagement, agriculture, art, music, literacy, science, technology, engineering, mathematics, health, and recreation programs.

Subd. 2. Application. The commissioner of education shall develop the form and method for applying for the grants. The application must include information on the applicant's outreach to children and youth that qualify for free or reduced-price lunch and two-year measurable goals and activities linked to research or best practices. The commissioner may consider the following criteria to allocate the grants:

1. increasing access to protective factors that build young people's capacity to become productive adults, such as connections to a caring adult;
2. developing children's skills and behaviors necessary to succeed in postsecondary education and career opportunities; and
3. encouraging attendance and improving performance in school.

Subd. 3. Grant awards. To the extent practicable, the selection of applicants shall result in an equitable distribution of grant awards among geographic areas within Minnesota, including rural, suburban, and urban communities. The commissioner shall also give priority to programs that collaborate with and leverage existing community resources that have demonstrated effectiveness. Applicants selected as grantees are eligible to receive a two-year renewable grant, contingent upon satisfactory progress toward goals and objectives and the availability of funds.

Sec. 37. 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. Achievement and integration aid. For achievement and integration aid under Minnesota Statutes, section 124D.862:

$ 71,114,000  .... 2018
The 2018 appropriation includes $6,725,000 for 2017 and $64,389,000 for 2018.

The 2019 appropriation includes $7,154,000 for 2018 and $65,963,000 for 2019.

Subd. 3. Literacy incentive aid. For literacy incentive aid under Minnesota Statutes, section 124D.98:

The 2018 appropriation includes $4,597,000 for 2017 and $42,667,000 for 2018.

The 2019 appropriation includes $4,740,000 for 2018 and $43,023,000 for 2019.

Subd. 4. Interdistrict desegregation or integration transportation grants. For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

The 2018 appropriation includes $323,000 for 2017 and $1,660,000 for 2018.

The 2019 appropriation includes $184,000 for 2018 and $1,746,000 for 2019.

Subd. 5. Tribal contract schools. For tribal contract school aid under Minnesota Statutes, section 124D.83:

The 2018 appropriation includes $886,000 for 2017 and $8,358,000 for 2018.

The 2019 appropriation includes $928,000 for 2018 and $8,536,000 for 2019.

Subd. 6. American Indian education aid. For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

The 2018 appropriation includes $886,000 for 2017 and $8,358,000 for 2018.

The 2019 appropriation includes $928,000 for 2018 and $8,536,000 for 2019.

Subd. 7. Concurrent enrollment program. For concurrent enrollment programs under Minnesota Statutes, section 124D.091:
If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district.

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

Subd. 8. ServeMinnesota program. For funding ServeMinnesota programs under Minnesota Statutes, sections 124D.37 to 124D.45:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$900,000</td>
</tr>
<tr>
<td>2019</td>
<td>$900,000</td>
</tr>
</tbody>
</table>

A grantee organization may provide health and child care coverage to the dependents of each participant enrolled in a full-time ServeMinnesota program to the extent such coverage is not otherwise available.

Subd. 9. Student organizations. For student organizations:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$725,000</td>
</tr>
<tr>
<td>2019</td>
<td>$725,000</td>
</tr>
</tbody>
</table>

(a) $46,000 each year is for student organizations serving health occupations (HOSA).
(b) $100,000 each year is for student organizations serving trade and industry occupations (Skills USA, secondary and postsecondary).
(c) $95,000 each year is for student organizations serving business occupations (BPA, secondary and postsecondary).
(d) $193,000 each year is for student organizations serving agriculture occupations (FFA, PAS).
(e) $142,000 each year is for student organizations serving family and consumer science occupations (FCCLA).
(f) $109,000 each year is for student organizations serving marketing occupations (DECA and DECA collegiate).
(g) $40,000 each year is for the Minnesota Foundation for Student Organizations.

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

Subd. 10. Museums and education centers. For grants to museums and education centers:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$451,000</td>
</tr>
<tr>
<td>2019</td>
<td>$451,000</td>
</tr>
</tbody>
</table>

(a) $260,000 each year is for the Minnesota Children's Museum.
(b) $50,000 each year is for the Duluth Children's Museum.

c) $41,000 each year is for the Minnesota Academy of Science.

d) $50,000 each year is for the Headwaters Science Center.

e) $50,000 for fiscal years 2018 and 2019 only is for the Children's Museum of Southern Minnesota. This is a onetime appropriation.

(f) Any balance in the first year does not cancel but is available in the second year.

(g) The budget base for this program is $401,000 per year.

Subd. 11. Recovery program grants. For recovery program grants under Minnesota Statutes, section 124D.695:

2018.....500,000
2019.....500,000

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

Subd. 12. Civic education grants. For grants to the Minnesota Civic Education Coalition, Minnesota Civic Youth, Learning Law and Democracy Foundation, and YMCA Youth in Government to provide civic education programs for Minnesota youth age 18 and younger.

Civic education is the study of constitutional principles and the democratic foundation of our national, state, and local institutions, and the study of political processes and structures of government, grounded in the understanding of constitutional government under the rule of law.

2018.....125,000
2019.....125,000

Any balance in the first year does not cancel but is available in the second year. The budget base for this program is $0.

Subd. 13. Charter school building lease aid. For building lease aid under Minnesota Statutes, section 124E.22:

2018.....73,036,000
2019.....78,449,000

The 2018 appropriation includes $6,850,000 for 2017 and $66,186,000 for 2018.

The 2019 appropriation includes $7,353,000 for 2018 and $71,096,000 for 2019.

Subd. 14. Statewide testing and reporting system. For the statewide testing and reporting system under Minnesota Statutes, section 120B.30:
Any balance in the first year does not cancel but is available in the second year.

Subd. 15. College entrance examination reimbursement. To reimburse districts for students who qualify under Minnesota Statutes, section 120B.30, subdivision 1, paragraph (e), for payment of their college entrance examination fee:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,511,000</td>
<td>2019</td>
<td>$1,511,000</td>
</tr>
</tbody>
</table>

The commissioner must reimburse school districts for their costs of one-time payments to free or reduced-price meal eligible students who take the ACT or SAT test under Minnesota Statutes, section 120B.30, subdivision 1.

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

Subd. 16. Examination fees; teacher training and support programs. (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
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<tbody>
<tr>
<td>2018</td>
<td>$4,500,000</td>
<td>2019</td>
<td>$4,500,000</td>
</tr>
</tbody>
</table>

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least $500,000 each year is for teachers to attend subject matter summer training programs and follow-up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy.

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and, to the extent of
available appropriations, shall also pay examination fees for students sitting for an advanced
placement examination, international baccalaureate examination, or both.

(e) Any balance in the first year does not cancel but is available in the second year.

Subd. 17. **Alternative teacher compensation aid.** For alternative teacher compensation
aid under Minnesota Statutes, section 122A.415, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>$89,666,000</td>
</tr>
<tr>
<td>2019</td>
<td>$89,405,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $8,917,000 for 2017 and $80,749,000 for 2018.

The 2019 appropriation includes $8,972,000 for 2018 and $80,433,000 for 2019.

Subd. 18. **American Indian teacher preparation grants.** For joint grants to assist
American Indian people to become teachers under Minnesota Statutes, section 122A.63:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$460,000</td>
</tr>
<tr>
<td>2019</td>
<td>$460,000</td>
</tr>
</tbody>
</table>

Subd. 19. **Minnesota Center for the Book programming.** For grants to the entity
designated by the Library of Congress as the Minnesota Center for the Book to provide
statewide programming related to the Minnesota Book Awards and for additional
programming throughout the state related to the Center for the Book designation:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>$50,000</td>
</tr>
<tr>
<td>2019</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

The base for fiscal year 2020 is $0.

Subd. 20. **Sanneh Foundation.** (a) For a grant to the Sanneh Foundation to provide
all-day, in-school, and before- and after-school academic and behavioral interventions for
low-performing and chronically absent students with a focus on low-income students and
students of color throughout the school year and during the summer to decrease absenteeism,
encourage school engagement, and improve grades and graduation rates.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,000,000</td>
</tr>
</tbody>
</table>

(b) Funds appropriated in this section must be used to establish and provide services in
schools where the Sanneh Foundation does not currently operate, and must not be used for
programs operating in schools as of June 30, 2017.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for fiscal year 2020 is $0.
Subd. 21. **Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$6,125,000</td>
<td>2019</td>
<td>$6,125,000</td>
</tr>
</tbody>
</table>

Up to $6,125,000 each year is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota reading corps program established by ServeMinnesota, including costs associated with training and teaching early literacy skills to children age three to grade 3 and evaluating the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6.

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

Subd. 22. **Minnesota math corps.** For the Minnesota math corps program under Minnesota Statutes, section 124D.42, subdivision 9:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$500,000</td>
<td>2019</td>
<td>$500,000</td>
</tr>
</tbody>
</table>

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

Subd. 23. **Singing-based pilot program to improve student reading.** (a) For a grant to pilot a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$500,000</td>
<td>2019</td>
<td>$0</td>
</tr>
</tbody>
</table>

(b) The commissioner of education shall award a grant to the Rock ‘n’ Read Project to implement a research-supported, computer-based educational program that uses singing to improve the reading ability of students in grades 2 through 5. The grantee shall be responsible for selecting participating school sites; providing any required hardware and software, including software licenses, for the duration of the grant period; providing technical support, training, and staff to install required project hardware and software; providing on-site professional development and instructional monitoring and support for school staff and students; administering preintervention and postintervention reading assessments; evaluating the impact of the intervention; and other project management services as required. To the extent practicable, the grantee must select participating schools in urban, suburban, and greater Minnesota, and give priority to schools in which a high proportion of students do not read proficiently at grade level and are eligible for free or reduced-price lunch.

(c) By February 15, 2019, the grantee must submit a report detailing expenditures and outcomes of the grant to the commissioner of education and the chairs and ranking minority...
members of the legislative committees with primary jurisdiction over kindergarten through grade 12 education policy and finance.

(d) This is a onetime appropriation.

Subd. 24. Starbase MN. For a grant to Starbase MN for the operations and infrastructure for expanded, innovative, and academically rigorous science, technology, engineering, and math (STEM) programs in a hands-on and immersive technology-rich environment for students in grades 4 to 6:

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<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,398,000</td>
<td>....</td>
</tr>
<tr>
<td>2019</td>
<td>-0-</td>
<td>....</td>
</tr>
</tbody>
</table>

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

The base appropriation for fiscal year 2020 is $500,000.

$898,000 from the Starbase MN appropriation under Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 17, is canceled the day following final enactment.

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

Sec. 38. INTERMEDIATE SCHOOL DISTRICT MENTAL HEALTH INNOVATION GRANT PROGRAM; APPROPRIATION.

(a) $2,450,000 in fiscal year 2018 and $2,450,000 in fiscal year 2019 are appropriated from the general fund to the commissioner of human services for a grant program to fund innovative projects to improve mental health outcomes for youth attending a qualifying school unit.

(b) A "qualifying school unit" means an intermediate district organized under Minnesota Statutes, section 136D.01, or a service cooperative organized under Minnesota Statutes, section 123A.21, subdivision 1, paragraph (a), clause (2), that provides instruction to students in a setting of federal instructional level four or higher. Grants under paragraph (a) must be awarded to eligible applicants such that the services are proportionately provided among qualifying school units. The commissioner shall calculate the share of the appropriation to be used in each qualifying school unit by dividing the qualifying school unit's average daily membership in a setting of federal instructional level 4 or higher for fiscal year 2016 by the total average daily membership in a setting of federal instructional level 4 or higher for the same year for all qualifying school units.

(c) An eligible applicant is an entity that has demonstrated capacity to serve the youth identified in paragraph (a) and that is:
(1) certified under Minnesota Rules, parts 9520.0750 to 9520.0870;

(2) a community mental health center under Minnesota Statutes, section 256B.0625, subdivision 5;

(3) an Indian health service facility or facility owned and operated by a tribe or tribal organization operating under United States Code, title 25, section 5321; or

(4) a provider of children's therapeutic services and supports as defined in Minnesota Statutes, section 256B.0943.

(d) An eligible applicant must employ or contract with at least two licensed mental health professionals as defined in Minnesota Statutes, section 245.4871, subdivision 27, clauses (1) to (6), who have formal training in evidence-based practices.

(e) A qualifying school unit must submit an application to the commissioner in the form and manner specified by the commissioner. The commissioner may approve an application that describes models for innovative projects to serve the needs of the schools and students. The commissioner may provide technical assistance to the qualifying school unit. The commissioner shall then solicit grant project proposals and award grant funding to the eligible applicants whose project proposals best meet the requirements of this section and most closely adhere to the models created by the intermediate districts and service cooperatives.

(f) To receive grant funding, an eligible applicant must obtain a letter of support for the applicant's grant project proposal from each qualifying school unit the eligible applicant is proposing to serve. An eligible applicant must also demonstrate the following:

(1) the ability to seek third-party reimbursement for services;

(2) the ability to report data and outcomes as required by the commissioner; and

(3) partnerships with counties, tribes, substance use disorder providers, and mental health service providers, including providers of mobile crisis services.

(g) Grantees shall obtain all available third-party reimbursement sources as a condition of receiving grant funds. For purposes of this grant program, a third-party reimbursement source does not include a public school as defined in Minnesota Statutes, section 120A.20, subdivision 1.

(h) The base budget for this program is $0.
Sec. 39. REVISOR'S INSTRUCTION.

In the next edition of Minnesota Statutes, the revisor of statutes shall codify Laws 2016, chapter 189, article 24, section 22, as amended by this act.

ARTICLE 3

TEACHERS

Section 1. Minnesota Statutes 2016, section 122A.09, subdivision 4a, is amended to read:

Subd. 4a. Teacher and administrator preparation and performance data; report.

(a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-adopted teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include:

student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average board-adopted skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year, disaggregated by race, except when such disaggregation would not yield statistically reliable results or would reveal personally identifiable information about an individual; a standard
measure of the satisfaction of school principals or supervising teachers with the student
teachers assigned to a school or supervising teacher; and information under paragraphs (d)
and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by
the Board of School Administrators must include: summary data on faculty qualifications,
including at least the content areas of faculty undergraduate and graduate degrees and their
years of experience either as kindergarten through grade 12 classroom teachers or school
administrators; the average time program graduates in the preceding year needed to complete
the program; the current number and percent of students who graduated, received a standard
Minnesota administrator license, and were employed as an administrator in a Minnesota
school district or school in the preceding year, disaggregated by race, except when such
disaggregation would not yield statistically reliable results or would reveal personally
identifiable information about an individual; the number of credits by graduate program
that students in the preceding school year needed to complete to graduate; survey results
measuring student, graduate, and employer satisfaction with the program in the preceding
school year, disaggregated by race, except when such disaggregation would not yield
statistically reliable results or would reveal personally identifiable information about an
individual; and information under paragraphs (f) and (g). Program reporting must be
consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the
following information for all teachers who finished the probationary period and accepted
a continuing contract position with the district from September 1 of the previous year through
August 31 of the current year: the effectiveness category or rating of the teacher on the
summative evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5;
the licensure area in which the teacher primarily taught during the three-year evaluation
cycle; and the teacher preparation program preparing the teacher in the teacher's primary
areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the
following information for all probationary teachers in the district who were released or
whose contracts were not renewed from September 1 of the previous year through August
31 of the current year: the licensure areas in which the probationary teacher taught; and the
teacher preparation program preparing the teacher in the teacher's primary areas of instruction
and licensure.

(f) School districts annually by October 1 must report to the Board of School
Administrators the following information for all school principals and assistant principals
who finished the probationary period and accepted a continuing contract position with the
district from September 1 of the previous year through August 31 of the current year: the
effectiveness category or rating of the principal or assistant principal on the summative
evaluation under section 123B.147, subdivision 3; and the principal preparation program
providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School
Administrators all probationary school principals and assistant principals in the district who
were released or whose contracts were not renewed from September 1 of the previous year
through August 31 of the current year.

(h) Data that must be disaggregated by race under this section must be reported in the
following categories:

(1) American Indian or Alaskan Native;

(2) Asian;

(3) Black or African American;

(4) Hispanic or Latino;

(5) Native Hawaiian or Other Pacific Islander;

(6) White; and

(7) two or more races.

Sec. 2. Minnesota Statutes 2016, section 122A.245, subdivision 1, is amended to read:

Subdivision 1. Requirements. (a) To improve academic excellence, improve ethnic and
cultural diversity in the classroom, and close the academic achievement gap, the Board of
Teaching must approve qualified teacher preparation programs under this section that are
a means to acquire a two-year preliminary teacher license, which the board may renew one
time for an additional one-year term, and to prepare for acquiring a professional five-year
license. The following entities are eligible to participate and seek approval under this section:

(1) a school district;

(2) charter school; or

(3) nonprofit corporation organized under chapter 317A for an education-related purpose
that forms a partnership with a college or university that has a board-approved alternative
teacher preparation program.
(2) a school district or charter school, after consulting with a college or university with a board-approved teacher preparation program, that forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.

(b) Before becoming a teacher of record, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria adopted by January 1, 2016;

(2) demonstrate a passing score on a board-adopted reading, writing, and mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year preliminary teacher license to a person who enrolls in an alternative teacher preparation program.

Sec. 3. Minnesota Statutes 2016, section 122A.245, subdivision 2, is amended to read:

Subd. 2. Characteristics Approval criteria. An alternative teacher preparation program under this section must include programs that meet the following criteria:

(1) a minimum 200-hour instructional phase that provides intensive preparation and student teaching observed classroom experience before the teacher candidate assumes classroom responsibilities;

(2) a research-based and results-oriented approach focused on best teaching practices to increase student proficiency and growth measured against state academic standards;

(3) strategies to combine pedagogy and best teaching practices to better inform teacher candidates' classroom instruction;

(4) assessment, supervision, and evaluation of teacher candidates to determine their specific needs throughout the program and to support their efforts to successfully complete the program;

(5) intensive, ongoing, and multiyear professional learning opportunities that accelerate teacher candidates' professional growth, support student learning, and provide a workplace orientation, professional staff development, and mentoring and peer review focused on standards of professional practice and continuous professional growth; and
(6) a requirement that teacher candidates demonstrate to the local site team under subdivision 5 satisfactory progress toward acquiring professional five-year teaching licenses from the Board of Teaching.

Sec. 4. Minnesota Statutes 2016, section 122A.245, subdivision 3, is amended to read:

Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section.

(b) The Board of Teaching must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means. "Nontraditional means" must include a portfolio of previous experiences, teaching experience, educator evaluations, certifications marking the completion of education training programs, and essentially equivalent demonstrations.

(c) The board must use nontraditional criteria to determine the qualifications of program instructors.

(d) The board may permit instructors to hold a baccalaureate degree only.

(e) If the Board of Teaching determines that a teacher preparation program under this section does not meet the requirements of this section, it may revoke its approval of the program after it notifies the program provider of any deficiencies and gives the program provider an opportunity to remedy the deficiencies.

Sec. 5. Minnesota Statutes 2016, section 122A.245, subdivision 10, is amended to read:

Subd. 10. **Reports.** The Board of Teaching must submit an interim biennial report on the efficacy of this program to the policy and finance committees of the legislature with jurisdiction over kindergarten through grade 12 education by February 15, 2013, and a final report by February 15, 2015 of each odd-numbered year.

Sec. 6. Minnesota Statutes 2016, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** The school board and the exclusive bargaining representative of the teachers may negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. Failing to successfully negotiate such a plan,
the provisions of subdivision 11 shall apply. The negotiated plan must not include provisions
which would result in the exercise of seniority by a teacher holding a provisional license,
other than a vocational education license, contrary to the provisions of subdivision 11,
paragraph (c), or the reinstatement of a teacher holding a provisional license, other than a
vocational education license, contrary to the provisions of subdivision 11, paragraph (c).
The provisions of section 179A.16 do not apply for the purposes of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2016, section 122A.41, is amended by adding a subdivision to
read:

Subd. 14a. Negotiated unrequested leave of absence. The school board and the exclusive
bargaining representative of the teachers must negotiate a plan providing for unrequested
leave of absence without pay or fringe benefits for as many teachers as may be necessary
because of discontinuance of position, lack of pupils, financial limitations, or merger of
classes caused by consolidation of districts.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 8. Minnesota Statutes 2016, section 122A.415, subdivision 4, is amended to read:

Subd. 4. Basic alternative teacher compensation aid. (a) The basic alternative teacher
compensation aid for a school with a plan approved under section 122A.414, subdivision
2b, equals 65 percent of the alternative teacher compensation revenue under subdivision 1.
The basic alternative teacher compensation aid for a charter school with a plan approved
under section 122A.414, subdivisions 2a and 2b, equals $260 times the number of pupils
enrolled in the school on October 1 of the previous year, or on October 1 of the current year
for a charter school in the first year of operation, times the ratio of the sum of the alternative
teacher compensation aid and alternative teacher compensation levy for all participating
school districts to the maximum alternative teacher compensation revenue for those districts
under subdivision 1.

(b) Notwithstanding paragraph (a) and subdivision 1, the state total basic alternative
teacher compensation aid entitlement must not exceed $75,840,000 for fiscal year 2016 and
$88,118,000 for fiscal year 2017 and later. The commissioner must limit the amount of
alternative teacher compensation aid approved under this section so as not to exceed these
limits by not approving new participants or by prorating the aid among participating districts,
intermediate school districts, school sites, and charter schools. The commissioner may also
reallocate a portion of the allowable aid for the biennium from the second year to the first year to meet the needs of approved participants.

(c) Basic alternative teacher compensation aid for an intermediate district or other cooperative unit equals $3,000 times the number of licensed teachers employed by the intermediate district or cooperative unit on October 1 of the previous school year.

Sec. 9. [122A.417] ALTERNATIVE TEACHER COMPENSATION REVENUE FOR ST. CROIX RIVER EDUCATION DISTRICT.

Notwithstanding section 122A.415, subdivision 4, paragraph (c), the St. Croix River Education District, No. 6009-61, is eligible to receive alternative teacher compensation revenue based on its staffing as of October 1 of the previous fiscal year as reported to the department in a manner determined by the commissioner. To qualify for alternative teacher compensation revenue, the St. Croix River Education District must meet all the requirements of sections 122A.414 and 122A.415 that apply to cooperative units, must report its staffing as of October 1 of each year to the department in a manner determined by the commissioner, and must annually report to the department by November 30 its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards.

Sec. 10. [122A.627] POSITIVE BEHAVIORAL INTERVENTIONS AND SUPPORTS.

"Positive behavioral interventions and supports" or "PBIS" means an evidence-based framework for preventing problem behavior, providing instruction and support for positive and prosocial behaviors, and supporting social, emotional, and behavioral needs for all students. Schoolwide implementation of PBIS requires training, coaching, and evaluation for school staff to consistently implement the key components that make PBIS effective for all students, including:

(1) establishing, defining, teaching, and practicing three to five positively stated schoolwide behavioral expectations that are representative of the local community and cultures;

(2) developing and implementing a consistent system used by all staff to provide positive feedback and acknowledgment for students who display schoolwide behavioral expectations;

(3) developing and implementing a consistent and specialized support system for students who do not display behaviors representative of schoolwide positive expectations;
developing a system to support decisions based on data related to student progress, effective implementation of behavioral practices, and screening for students requiring additional behavior supports;

(5) using a continuum of evidence-based interventions that is integrated and aligned to support academic and behavioral success for all students; and

(6) using a team-based approach to support effective implementation, monitor progress, and evaluate outcomes.

Consistent with section 120B.232, subdivision 1, character education curriculum and programs may be used to support implementation of the key components of PBIS.

Sec. 11. [136A.1276] ALTERNATIVE TEACHER PREPARATION GRANT PROGRAM.

Subdivision 1. Definitions. (a) For purposes of this section, the following terms have the meanings given them.

(b) "Alternative teacher preparation program" means an alternative teacher preparation program under section 122A.245, subdivision 2, or an experimental teacher preparation program under section 122A.09, subdivision 10.

(c) "Commissioner" means the commissioner of the Office of Higher Education.

(d) "Program" means a teacher preparation curriculum leading to specific licensure areas.

(e) "Shortage area" means:

(1) licensure fields and economic development regions reported by the commissioner of education as experiencing a teacher shortage; and

(2) economic development regions where there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region.

(f) "Unit" means an institution or defined subdivision of the institution that has primary responsibility for overseeing and delivering teacher preparation programs.

Subd. 2. Establishment; eligibility. (a) The commissioner, in consultation with the Board of Teaching, must establish and administer a program annually awarding grants to eligible alternative teacher preparation programs consistent with this section.

(b) To be eligible to receive a grant, an alternative teacher preparation program must certify that it:

(1) is working to fill Minnesota's teacher shortage areas; and
(2) is a school district, charter school, or nonprofit corporation organized under chapter 317A or under section 501(c)(3) of the Internal Revenue Code of 1986 for an education-related purpose that has been operating continuously for at least three years in Minnesota or any other state.

c. The commissioner must give priority to applicants based in Minnesota when awarding grants under this section.

Subd. 3. Use of grants. (a) An alternative teacher preparation program receiving a grant under this section must use the grant to:

1. establish initial unit approval to become an alternative teacher preparation program;
2. expand alternative teacher preparation programs by expanding program approval to other licensure areas identified as shortage areas by the commissioner of education;
3. recruit, select, and train teachers who reflect the racial or ethnic diversity of students in Minnesota; or
4. establish professional development programs for teachers who have obtained teaching licenses through alternative teacher preparation programs.

An alternative teacher preparation program may expend grant funds on regional management and operations, development, and central support services, including financial support and support for technology and human services.

(b) An alternative teacher preparation program may use grant funds awarded under this section as a match for nonstate funds, subject to paragraph (a).

c. Appropriations made to this program do not cancel and are available until expended.

Subd. 4. Report. An alternative teacher preparation program receiving a grant under this section must submit a report to the commissioner and the Board of Teaching on the grantee's ability to fill teacher shortage areas and positively impact student achievement where data are available and do not identify individual teachers. A grant recipient must submit the report required under this subdivision by January 31, 2018, and each even-numbered year thereafter. The report must include disaggregated data regarding:

1. the racial and ethnic diversity of teachers and teacher candidates licensed through the program; and
2. program participant placement.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2018 and later.
Sec. 12. Minnesota Statutes 2016, section 136A.1791, subdivision 1, is amended to read:

Subdivision 1. Definitions. (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition and reasonable educational and living expenses related to a teacher's preparation or further education.

(c) "School district" means an independent school district, special school district, intermediate district, education district, special education cooperative, service cooperative, a cooperative center for vocational education, or a charter school located in Minnesota.

(d) "Teacher" means an individual holding a teaching license issued by the licensing division in the Department of Education on behalf of the Board of Teaching who is employed by a school district to provide classroom instruction in a teacher shortage area.

(e) "Teacher shortage area" means:

(1) the licensure fields and economic development regions reported by the commissioner of education as experiencing a teacher shortage; and

(2) economic development regions where there is a shortage of licensed teachers who reflect the racial or ethnic diversity of students in the region as reported by the commissioner of education.

(f) "Commissioner" means the commissioner of the Office of Higher Education unless indicated otherwise.

EFFECTIVE DATE. This section is effective August 1, 2017.

Sec. 13. Minnesota Statutes 2016, section 136A.1791, subdivision 2, is amended to read:

Subd. 2. Program established; administration. The commissioner shall establish and administer a teacher shortage loan forgiveness program. A teacher is eligible for the program if the teacher is teaching in a licensure field and in an economic development region with an identified teacher shortage area under subdivision 3 and complies with the requirements of this section.

EFFECTIVE DATE. This section is effective August 1, 2017.
Sec. 14. Minnesota Statutes 2016, section 136A.1791, subdivision 9, is amended to read:

Subd. 9. Annual reporting. By February 1 of each year, the commissioner must report to the chairs of the K-12 kindergarten through grade 12 and higher education committees of the legislature on the number of individuals who received loan forgiveness under this section, the race or ethnicity of the teachers participating in the program, the licensure areas and economic development regions in which the teachers taught, the average amount paid to a teacher participating in the program, and other summary data identified by the commissioner as outcome indicators.

EFFECTIVE DATE. This section is effective August 1, 2017.

Sec. 15. Laws 2016, chapter 189, article 25, section 58, is amended to read:

Sec. 58. NORTHWEST REGIONAL PARTNERSHIP STATEWIDE CONCURRENT ENROLLMENT TEACHER TRAINING PROGRAM.

Subdivision 1. Definition. (a) For purposes of this section, the following terms have the meanings given them.

(b) "Northwest Regional Partnership" means a voluntary association of the Lakes Country Service Cooperative, the Northwest Service Cooperative, and Minnesota State University-Moorhead that works together to provide coordinated higher learning opportunities for teachers.

(c) "State Partnership" means a voluntary association of the Northwest Regional Partnership and the Metropolitan Educational Cooperative Service Unit.

(d) "Eligible postsecondary institution" means a public or private postsecondary institution that awards graduate credits.

(e) "Eligible teacher" means a licensed teacher of secondary school courses for postsecondary credit.

Subd. 2. Establishment. (a) Lakes Country Service Cooperative, in consultation with the Northwest Service Cooperative, may develop a continuing education program to allow eligible teachers to attain the requisite graduate credits necessary to be qualified to teach secondary school courses for postsecondary credit.

(b) If established, the State Partnership must contract with one or more eligible postsecondary institutions to establish a continuing education credit program to allow eligible teachers to attain sufficient graduate credits to qualify to teach secondary school courses for postsecondary credit. Members of the State Partnership must work to eliminate duplication
of service and develop the continuing education credit program efficiently and
cost-effectively.

Subd. 3. Curriculum development. Minnesota State University-Moorhead may develop
The continuing education program must use flexible delivery models, such as an online
education curriculum that allow eligible secondary school teachers to attain graduate
credit at a reduced credit rate. Information about the curriculum, including course length
and course requirements, must be posted on the Web site of the eligible institution offering
the course at least two weeks before eligible teachers are required to register for courses in
the continuing education program.

Subd. 4. Funding for course development; scholarships; stipends. (a) Lakes Country
Service Cooperative, in consultation with the other members of the Northwest Regional
Partnership, shall:

(1) provide funding for course development for up to 18 credits in applicable
postsecondary subject areas;

(2) provide scholarships for eligible teachers to enroll in the continuing education
program; and

(3) develop criteria for awarding educator stipends on a per-credit basis to incentivize
participation in the continuing education program.

(b) If established, the State Partnership must:

(1) provide funding for course development for up to 18 credits in applicable
postsecondary subject areas;

(2) provide scholarships for eligible teachers to enroll in the continuing education
program; and

(3) develop criteria for awarding educator stipends on a per-credit basis to incentivize
participation in the continuing education program.

Subd. 5. Participant eligibility. Participation in the continuing education program is
reserved for teachers of secondary school courses for postsecondary credit. Priority must
be given to teachers employed by a school district that is a member of the Lakes Country
Service Cooperative or Northwest Service Cooperative. Teachers employed by a school
district that is not a member of the Lakes Country Service Cooperative or Northwest Service
Cooperative may participate in the continuing education program as space allows. A teacher
participating in this program is ineligible to participate in other concurrent enrollment teacher
training grant programs.
Subd. 6. Private funding. The partnership may receive private resources to supplement the available public money. All money received in fiscal year 2017 shall be administered by the Lakes Country Service Cooperative. All money received in fiscal year 2018 and later shall be administered by the State Partnership.

Subd. 7. Report required. (a) The Northwest Regional Partnership must submit an annual report by January 15 of each year, 2018, on the progress of its activities to the legislature, commissioner of education, and Board of Trustees of the Minnesota State Colleges and Universities. The annual report shall contain a financial report for the preceding year. The first report is due no later than January 15, 2018.

(b) If established, the State Partnership must submit an annual joint report to the legislature and the Office of Higher Education by January 15 of each year on the progress of its activities. The report must include the number of teachers participating in the program, the geographic location of the teachers, the number of credits earned, and the subject areas of the courses in which participants earned credit. The report must include a financial report for the preceding year.

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

Sec. 16. AGRICULTURAL EDUCATOR GRANTS.

Subdivision 1. Grant program established. A grant program is established to support school districts in paying agricultural education teachers for work over the summer with high school students in extended programs.

Subd. 2. Application. The commissioner of education shall develop the form and method for applying for the grants. The commissioner shall develop criteria for determining the allocation of the grants, including appropriate goals for the use of the grants.

Subd. 3. Grant awards. Grant funding under this section must be matched by funding from the school district for the agricultural education teacher's summer employment. Grant funding for each teacher is limited to the one-half share of 40 working days.

Subd. 4. Reports. School districts that receive grant funds shall report to the commissioner of education no later than December 31 of each year regarding the number of teachers funded by the grant program and the outcomes compared to the goals established in the grant application. The Department of Education shall develop the criteria necessary for the reports.
Sec. 17. 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. **Paraprofessional pathway to teacher licensure.** (a) For grants to school districts for Grow Your Own teacher preparation programs:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,500,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$1,500,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

(b) The grants are for school districts with more than 40 percent minority students for a Board of Teaching-approved nonconventional teacher residency pilot program. The program must provide tuition scholarships or stipends to enable school district employees or community members affiliated with a school district who seek an education license to participate in a nonconventional teacher preparation program.

(c) A school district that receives a grant under this subdivision is ineligible to receive a grant for a Grow Your Own program in fiscal year 2020 and fiscal year 2021.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 3. **Alternative teacher preparation grant program.** (a) For transfer to the commissioner of the Office of Higher Education for alternative teacher preparation program grants under Minnesota Statutes, section 136A.1276:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
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<tbody>
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<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$0</td>
<td>2019</td>
</tr>
</tbody>
</table>

(b) Any balance in the first year does not cancel but is available in the second year.

Subd. 4. **Agricultural educator grants.** For agricultural educator grants under section 16:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>2019</td>
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<td>2019</td>
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</tbody>
</table>

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

Subd. 5. **Collaborative urban educator.** (a) For the collaborative urban educator grant program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
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<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$1,000,000</td>
<td>2019</td>
</tr>
</tbody>
</table>
(b) Grants shall be awarded in equal amounts: $195,000 each year is for the Southeast Asian Teacher program at Concordia University, St. Paul; $195,000 each year is for the Collaborative Urban Educator program at the University of St. Thomas; $195,000 each year is for the Center for Excellence in Urban Teaching at Hamline University; and $195,000 each year is for the East Africa Student to Teacher program at Augsburg College.

(c) The commissioner must establish a competitive grant process to award $220,000 each year to Board of Teaching-approved teacher preparation programs, including alternative teacher preparation programs. The competitive process must award grants based on program benchmarks, including licensure rates, participation rates, and on-time graduation rates.

(d) Any balance in the first year does not cancel but is available in the second year.

(e) Each institution shall prepare for the legislature by January 15 of each year a detailed report regarding the funds used. The report must include the number of teachers prepared as well as the diversity for each cohort of teachers produced.

(f) For fiscal year 2020 and later, the commissioner must award all collaborative urban educator grants through the competitive grant program.

Subd. 6. Minnesota Principals Academy. (a) For grants to the University of Minnesota College of Education and Human Development for the operation of the Minnesota Principals Academy:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>200,000</td>
</tr>
<tr>
<td>2019</td>
<td>200,000</td>
</tr>
</tbody>
</table>

(b) Of these amounts, $50,000 must be used to pay the costs of attendance for principals from schools designated as priority schools by the commissioner of education. To the extent funds are available, the Department of Education must use up to $200,000 of federal Title II funds to support additional participation in the Principals Academy by principals from priority schools.

(c) Any balance in the first year does not cancel but is available in the second year.

Subd. 7. Teacher shortage loan forgiveness. (a) For transfer to the commissioner of the Office of Higher Education for the loan forgiveness program under Minnesota Statutes, section 136A.1791:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>4,000,000</td>
</tr>
<tr>
<td>2019</td>
<td>0</td>
</tr>
</tbody>
</table>

(b) The commissioner may use no more than three percent of this appropriation to administer the program under this subdivision.
(c) Any balance in the first year does not cancel but is available in the second year.

Sec. 18. **REPEALER.**

Minnesota Statutes 2016, sections 122A.40, subdivision 11; and 122A.41, subdivision 14, are repealed effective July 1, 2018.

**ARTICLE 4**

**SPECIAL EDUCATION**

Section 1. Minnesota Statutes 2016, section 125A.08, is amended to read:

125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26.

Before a school district evaluation team makes a determination of other health disability under Minnesota Rules, part 3525.1335, subparts 1 and 2, item A, subitem (1), the evaluation team must seek written documentation of the student's medically diagnosed chronic or acute health condition signed by a licensed physician or a licensed health care provider acting within the scope of the provider's practice. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and...
training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded. If the individualized education program meets the plan components in section 120B.125, the individualized education program satisfies the requirement and no additional transition plan is needed;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or beginning at the time of employment, each paraprofessional must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and
responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are required to enable the paraprofessional to continue to further develop the knowledge and skills, and cultural competency, consistent with section 120B.30, subdivision 1, paragraph (q), that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

(d) The school board must make available annual training opportunities to enable a special education teacher serving on an individualized education program team to further develop the knowledge, skills, and cultural competency necessary to appropriately serve students. For purposes of this section, "cultural competency" means the ability to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.

Sec. 2. [125A.087] DATA REVIEW.

Subdivision 1. School district to review data. At least once each school year, a school district is encouraged to review data for each school site on the number of students that are referred for emotional behavioral disorder evaluation, disaggregated by race, ethnicity, and gender. Nothing in this section requires a school district or public school to report any information to the commissioner of education that is not otherwise required by law.

Subd. 2. School site to review data. Teachers and other educational staff at a school site must review at least once each school year the data under subdivision 1 for students at the school site. The district is encouraged to consult with teachers and other educational staff on strategies to reduce any disproportionate representation of students by race, gender, or ethnicity in evaluation referrals.

EFFECTIVE DATE. This section is effective for the 2017-2018 school year and later.
Sec. 3. Minnesota Statutes 2016, section 125A.0941, is amended to read:

125A.0941 DEFINITIONS.

(a) The following terms have the meanings given them.

(b) "Emergency" means a situation where immediate intervention is needed to protect a child or other individual from physical injury. Emergency does not mean circumstances such as: a child who does not respond to a task or request and instead places his or her head on a desk or hides under a desk or table; a child who does not respond to a staff person's request unless failing to respond would result in physical injury to the child or other individual; or an emergency incident has already occurred and no threat of physical injury currently exists.

(c) "Physical holding" means physical intervention intended to hold a child immobile or limit a child's movement, where body contact is the only source of physical restraint, and where immobilization is used to effectively gain control of a child in order to protect a child or other individual from physical injury. The term physical holding does not mean physical contact that:

(1) helps a child respond or complete a task;

(2) assists a child without restricting the child's movement;

(3) is needed to administer an authorized health-related service or procedure; or

(4) is needed to physically escort a child when the child does not resist or the child's resistance is minimal.

(d) "Positive behavioral interventions and supports" means interventions and strategies to improve the school environment and teach children the skills to behave appropriately, including the key components under section 122A.627.

(e) "Prone restraint" means placing a child in a face down position.

(f) "Restrictive procedures" means the use of physical holding or seclusion in an emergency. Restrictive procedures must not be used to punish or otherwise discipline a child.

(g) "Seclusion" means confining a child alone in a room from which egress is barred. Egress may be barred by an adult locking or closing the door in the room or preventing the child from leaving the room. Removing a child from an activity to a location where the child cannot participate in or observe the activity is not seclusion.
Sec. 4. Minnesota Statutes 2016, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation, plus (2) the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) 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 equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit.

Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil 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 aid due to the district.

(b) Notwithstanding paragraph (a), when a charter school receiving special education aid under section 124E.21, subdivision 3, provides special instruction and services for a pupil with a disability as defined in section 125A.02, excluding a pupil for whom an
adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (e), special education aid paid to the resident district must be reduced by an amount equal to that calculated under paragraph (a) as if the charter school received aid under section 124E.21, subdivision 1. Notwithstanding paragraph (a), special education aid paid to the charter school providing special instruction and services for the pupil must not be increased by the amount of the reduction in the aid paid to the resident district.

(c) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b) to (d):

(1) an intermediate district or a special education cooperative may recover unreimbursed costs of serving pupils with a disability, including building lease, debt service, and indirect costs necessary for the general operation of the organization, by billing membership fees and nonmember access fees to the resident district;

(2) a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a site constructed according to Laws 1992, chapter 558, section 7, subdivision 7, to meet the educational needs of court-placed adolescents, or a special education cooperative may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability;

(3) the billing under clause (1) or application under clause (2) must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under clause (2) must be included in the aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

(d) For purposes of this subdivision and section 127A.47, subdivision 7, paragraph (b), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

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

Sec. 5. Minnesota Statutes 2016, section 125A.21, subdivision 2, is amended to read:

Subd. 2. Third-party reimbursement. (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the
child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial and annual written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical assistance or MinnesotaCare for:

(1) the evaluations required as part of the individualized education program process or individualized family service plan process; and

(2) health-related services provided by the district according to the individualized education program or individualized family service plan.

The initial notice must give the child's parent or legal representative the right to request a copy of the child's education records on the health-related services that the district provided to the child and disclosed to a third-party payer.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for evaluations required as part of the individualized education program process or individualized family service plan process, and for health-related services provided by the district according to the individualized education program or individualized family service plan;

(2) the right of the parent or legal representative to request a copy of all records concerning individualized education program or individualized family service health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:
(1) obtain annual written informed consent from the parent or legal representative, in
compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state
Medicaid agency to access their private health care coverage does not relieve the district of
its responsibility to provide all services necessary to provide free and appropriate public
education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered
individualized education program or individualized family service plan health-related
services from the requirement that private health care coverage refuse payment before
medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students
with a combination of private health care coverage and health care coverage through medical
assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any
state agency establishes lifetime limits, limits for any health care services, cost-sharing
provisions, or otherwise provides that individualized education program or individualized
family service plan health-related services impact benefits for persons enrolled in medical
assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are
repealed on the effective date of any federal or state law or regulation that imposes the
limits. In that event, districts must obtain informed consent consistent with this subdivision
as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement
for children enrolled in medical assistance under chapter 256B or MinnesotaCare under
chapter 256L who have no other health care coverage.

EFFECTIVE DATE. This section is effective August 1, 2017.

Sec. 6. Minnesota Statutes 2016, section 125A.515, is amended to read:

125A.515 PLACEMENT OF STUDENTS; APPROVAL OF EDUCATION
PROGRAM.

Subdivision 1. Approval of on-site education programs. The commissioner shall
approve on-site education programs for placement of children and youth in residential
facilities including detention centers, before being licensed by the Department of Human
Services or the Department of Corrections. Education programs in these facilities shall
conform to state and federal education laws including the Individuals with Disabilities
Education Act (IDEA). This section applies only to placements in children’s residential
facilities licensed by the Department of Human Services or the Department of Corrections.
For purposes of this section, "on-site education program" means the educational services provided directly on the grounds of the care and treatment children's residential facility to children and youth placed for care and treatment.

Subd. 3. Responsibilities for providing education. (a) The district in which the children's residential facility is located must provide education services, including special education if eligible, to all students placed in a facility.

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

Subd. 3a. Students without a disability from other states. A school district is not required to provide education services under this section to a student who:

(1) is not a resident of Minnesota;

(2) does not have an individualized education program; and

(3) does not have a tuition arrangement or agreement to pay the cost of education from the placing authority.

Subd. 4. Education services required. (a) Education services must be provided to a student beginning within three business days after the student enters the care and treatment children's residential facility. The first four days of the student's placement may be used to screen the student for educational and safety issues.

(b) If the student does not meet the eligibility criteria for special education, regular education services must be provided to that student.

Subd. 5. Education programs for students placed in children's residential facilities. (a) When a student is placed in a children's residential facility approved under this section that has an on-site education program, the providing district, upon notice from the care and treatment children's residential facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education program (IEP) and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed under this section has been identified as having a disability and has an individualized education program in the resident district:
(1) the providing agency must conduct an individualized education program meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education program goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education program meeting:

(i) the person or agency placing the student;

(ii) the resident district;

(iii) the appropriate teachers and related services staff from the providing district;

(iv) appropriate staff from the children's residential facility;

(v) the parents or legal guardians of the student; and

(vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Subd. 6. Exit report summarizing educational progress. If a student has been placed in a facility under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Subd. 7. Minimum educational services required. When a student is placed in a children's residential facility approved under this section, at a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.
Subd. 8. **Placement, services, and due process.** When a student's treatment and educational needs allow, education shall be provided in a regular educational setting. The determination of the amount and site of integrated services must be a joint decision between the student's parents or legal guardians and the treatment and education staff. When applicable, educational placement decisions must be made by the IEP team of the providing district. Educational services shall be provided in conformance with the least restrictive environment principle of the Individuals with Disabilities Education Act. The providing district and care and treatment children's residential facility shall cooperatively develop discipline and behavior management procedures to be used in emergency situations that comply with the Minnesota Pupil Fair Dismissal Act and other relevant state and federal laws and regulations.

Subd. 9. **Reimbursement for education services.** (a) Education services provided to students who have been placed under this section are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Subd. 10. **Students unable to attend school but not covered under this section.** Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the Departments of Corrections or Human Services are entitled to regular and special education services consistent with this section or Minnesota Rules, part 3525.2325. These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center.

Sec. 7. Minnesota Statutes 2016, section 125A.74, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** A district may enroll as a provider in the medical assistance program and receive medical assistance payments for covered evaluations and special education services provided to persons eligible for medical assistance under chapter 256B.

To receive medical assistance payments, the district must pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26, and comply
with relevant provisions of state and federal statutes and regulations governing the medical assistance program.

**EFFECTIVE DATE.** This section is effective August 1, 2017.

Sec. 8. Minnesota Statutes 2016, section 256B.0625, subdivision 26, is amended to read:

Subd. 26. **Special education services.** (a) Medical assistance covers evaluations necessary in making a determination for eligibility for individualized education program and individualized family service plan services and for medical services identified in a recipient's individualized education program and individualized family service plan and covered under the medical assistance state plan. Covered services include occupational therapy, physical therapy, speech-language therapy, clinical psychological services, nursing services, school psychological services, school social work services, personal care assistants serving as management aides, assistive technology devices, transportation services, health assessments, and other services covered under the medical assistance state plan. Mental health services eligible for medical assistance reimbursement must be provided or coordinated through a children's mental health collaborative where a collaborative exists if the child is included in the collaborative operational target population. The provision or coordination of services does not require that the individualized education program be developed by the collaborative.

The services may be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity, physician's orders, documentation, personnel qualifications, and prior authorization requirements. The nonfederal share of costs for services provided under this subdivision is the responsibility of the local school district as provided in section 125A.74. Services listed in a child's individualized education program are eligible for medical assistance reimbursement only if those services meet criteria for federal financial participation under the Medicaid program.

(b) Approval of health-related services for inclusion in the individualized education program does not require prior authorization for purposes of reimbursement under this chapter. The commissioner may require physician review and approval of the plan not more than once annually or upon any modification of the individualized education program that reflects a change in health-related services.

(c) Services of a speech-language pathologist provided under this section are covered notwithstanding Minnesota Rules, part 9505.0390, subpart 1, item L, if the person:
(1) holds a masters degree in speech-language pathology;
(2) is licensed by the Minnesota Board of Teaching as an educational speech-language pathologist; and
(3) either has a certificate of clinical competence from the American Speech and Hearing Association, has completed the equivalent educational requirements and work experience necessary for the certificate or has completed the academic program and is acquiring supervised work experience to qualify for the certificate.

(d) Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.
(e) The commissioner shall develop and implement package rates, bundled rates, or per diem rates for special education services under which separately covered services are grouped together and billed as a unit in order to reduce administrative complexity.
(f) The commissioner shall develop a cost-based payment structure for payment of these services. Only costs reported through the designated Minnesota Department of Education data systems in distinct service categories qualify for inclusion in the cost-based payment structure. The commissioner shall reimburse claims submitted based on an interim rate, and shall settle at a final rate once the department has determined it. The commissioner shall notify the school district of the final rate. The school district has 60 days to appeal the final rate. To appeal the final rate, the school district shall file a written appeal request to the commissioner within 60 days of the date the final rate determination was mailed. The appeal request shall specify (1) the disputed items and (2) the name and address of the person to contact regarding the appeal.
(g) Effective July 1, 2000, medical assistance services provided under an individualized education program or an individual family service plan by local school districts shall not count against medical assistance authorization thresholds for that child.
(h) Nursing services as defined in section 148.171, subdivision 15, and provided as an individualized education program health-related service, are eligible for medical assistance payment if they are otherwise a covered service under the medical assistance program. Medical assistance covers the administration of prescription medications by a licensed nurse who is employed by or under contract with a school district when the administration of medications is identified in the child's individualized education program. The simple administration of medications alone is not covered under medical assistance when
88.1 administered by a provider other than a school district or when it is not identified in the child's individualized education program.

88.2 **EFFECTIVE DATE.** This section is effective August 1, 2017.

88.3 Sec. 9. **SPECIAL EDUCATION ASSISTIVE TECHNOLOGY STUDY.**

88.4 Subdivision 1. **Study.** The commissioner of education must examine the use of assistive technology in Minnesota school districts. The commissioner may examine financial data, survey school officials, and use other methods to collect data on the use of assistive technology by Minnesota's students. The commissioner must consult with the Minnesota Assistive Technology Advisory Council and other interested organizations to determine the scope and focus of the study.

88.5 Subd. 2. **Data reporting.** The commissioner must examine the federally required uniform financial accounting and reporting standards object codes and, if necessary, recommend changes to better capture school district spending on assistive technology. The commissioner must examine approaches to collecting additional student-level assistive technology data through the electronic data reporting system.

88.6 Subd. 3. **Assistive technology manual.** The commissioner must examine the department's assistive technology manual, and determine whether to prepare a revised manual.

88.7 Subd. 4. **Report.** The commissioner of education must report to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education by February 15, 2018, on the use of assistive technology by Minnesota's students and recommend statutory changes to encourage individualized education programs and individualized family services plans to incorporate a child-centered assistive technology plan.

88.8 Sec. 10. **APPROPRIATIONS.**

88.9 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.

88.10 Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,339,212,000</td>
<td>2019</td>
<td>$1,426,317,000</td>
</tr>
</tbody>
</table>

88.11 The 2018 appropriation includes $156,403,000 for 2017 and $1,182,809,000 for 2018.
The 2019 appropriation includes $166,505,000 for 2018 and $1,259,812,000 for 2019.

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
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<tbody>
<tr>
<td>$</td>
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</tr>
<tr>
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<td>1,830,000</td>
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</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th></th>
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<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>$</td>
<td>532,000</td>
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</tbody>
</table>

The 2018 appropriation includes $48,000 for 2017 and $460,000 for 2018.

The 2019 appropriation includes $51,000 for 2018 and $481,000 for 2019.

Subd. 5. Court-placed special education revenue. For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>46,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>47,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Subd. 6. Special education out-of-state tuition. For special education out-of-state tuition under Minnesota Statutes, section 125A.79, subdivision 8:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>250,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$</td>
<td>250,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

ARTICLE 5

FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2016, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. Unclassified positions. Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;
(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long-Range Planning;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;
(14) examination monitors and intermittent training instructors employed by the Departments of Management and Budget and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

(15) student workers;

(16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(17) employees unclassified pursuant to other statutory authority;

(18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

(19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

(20) chief executive officers in the Department of Human Services.

**EFFECTIVE DATE.** This section is effective June 30, 2018.

Sec. 2. Minnesota Statutes 2016, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. **Additional unclassified positions.** Appointing authorities for the following agencies may designate additional unclassified positions according to this subdivision: the Departments of Administration; Agriculture; Commerce; Corrections; Education; Employment and Economic Development; Explore Minnesota Tourism; Management and Budget; Health; Human Rights; Labor and Industry; Natural Resources; Public Safety; Human Services; Revenue; Transportation; and Veterans Affairs; the Housing Finance and Pollution Control Agencies; the State Lottery; the State Board of Investment; the Office of Administrative Hearings; the Office of MN.IT Services; the Offices of the Attorney General, Secretary of State, and State Auditor; the Minnesota State Colleges and Universities; the Minnesota Office of Higher Education; the Perpich Center for Arts Education; and the Minnesota Zoological Board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;
(3) the duties of the position would involve significant discretion and substantial
involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other
technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to,
loyal to, and compatible with, the governor and the agency head, the employing statutory
board or commission, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the
agency head; and

(7) the commissioner has approved the designation as being consistent with the standards
and criteria in this subdivision.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 3. [121A.335] LEAD IN SCHOOL DRINKING WATER.

Subdivision 1. Model plan. The commissioners of health and education shall jointly
develop a model plan to require school districts to accurately and efficiently test for the
presence of lead in water in public school buildings serving students in kindergarten through
grade 12. To the extent possible, the commissioners shall base the plan on the standards
established by the United States Environmental Protection Agency. The plan may be based
on the technical guidance in the Department of Health's document, "Reducing Lead in
Drinking Water: A Technical Guidance for Minnesota's School and Child Care Facilities."

Subd. 2. School plans. By July 1, 2018, the board of each school district or charter
school must adopt the commissioners' model plan or develop and adopt an alternative plan
to accurately and efficiently test for the presence of lead in water in school buildings serving
prekindergarten students and students in kindergarten through grade 12.

Subd. 3. Frequency of testing. The plan must include a testing schedule that requires
testing for the presence of lead in water in all buildings serving school districts and charter
school students where there is a source of water that may be consumed by students. The
testing must be conducted annually in calendar years 2018 and 2019. The testing must be
conducted at least once every five years thereafter.

Subd. 4. Ten-year facilities plan. A school district may include lead testing and
remediation as a part of its ten-year facilities plan under section 123B.595.
Subd. 5. *Report placed on its Web site.* Each school district and charter school must post its most recent test results showing the presence of lead in its drinking water on its Web site.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 122A.416, is amended to read:

122A.416 ALTERNATIVE TEACHER COMPENSATION REVENUE FOR PERPICH CENTER FOR ARTS EDUCATION AND MULTIDISTRICT INTEGRATION COLLABORATIVES.

Notwithstanding sections 122A.414, 122A.415, and 126C.10, multidistrict integration collaboratives and the Perpich Center for Arts Education are eligible to receive alternative teacher compensation revenue as if they were intermediate school districts. To qualify for alternative teacher compensation revenue, a multidistrict integration collaborative or the Perpich Center for Arts Education must meet all of the requirements of sections 122A.414 and 122A.415 that apply to intermediate school districts, must report its enrollment as of October 1 of each year to the department, and must annually report its expenditures for the alternative teacher professional pay system consistent with the uniform financial accounting and reporting standards to the department by November 30 of each year.

**EFFECTIVE DATE.** This section is effective June 30, 2018.

Sec. 5. Minnesota Statutes 2016, section 123A.30, subdivision 6, is amended to read:

Subd. 6. *Severance pay.* A district must pay severance pay to a teacher who is placed on unrequested leave of absence by the district as a result of the agreement. A teacher is eligible under this subdivision if the teacher:

(1) is a teacher, but not a superintendent;

(2) has a continuing contract with the district according to section 122A.40, subdivision 7.

The amount of severance pay must be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities requiring a valid Minnesota teaching license include, but are not limited to, the district that placed the teacher on
unrequested leave of absence, another district in Minnesota, an education district, an
intermediate school district, a service cooperative, a board formed under section 471.59, a
state residential academy, the Perpich Center for Arts Education, a vocational center, or a
special education cooperative. These entities do not include a district in another state, a
Minnesota public postsecondary institution, or a state agency. Only amounts earned by the
teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license
shall be subtracted. A teacher may decline any offer of employment as a teacher without
loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following
termination of the teacher's salary, the district may require the teacher to provide documented
evidence of the teacher's employers and gross earnings during that period. The district must
pay the teacher the amount of severance pay it determines to be due from the proceeds of
the levy for this purpose. To determine the amount of severance pay that is due for the
second six months of the 12 months following the termination of the teacher's salary, the
district may require the teacher to provide documented evidence of the teacher's employers
and gross earnings during that period. The district must pay the teacher the amount of
severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further
reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives
severance pay, the teacher shall not receive credit for any years of service in the district
paying severance pay prior to the year in which the teacher becomes eligible to receive
severance pay.

The severance pay is subject to section 465.72. The district may levy annually according
to section 126C.43, for the severance pay.

**EFFECTIVE DATE.** This section is effective June 30, 2018.

Sec. 6. Minnesota Statutes 2016, section 123B.595, subdivision 4, is amended to read:

Subd. 4. **Facilities plans.** (a) To qualify for revenue under this section, a school district
or intermediate district, not including a charter school, must have a ten-year facility plan
adopted by the school board and approved by the commissioner. The plan must include
provisions for implementing a health and safety program that complies with health, safety,
and environmental regulations and best practices, including indoor air quality management
and remediation of lead hazards.
(b) The district must annually update the plan, submit the plan to the commissioner for approval by July 31, and indicate whether the district will issue bonds to finance the plan or levy for the costs.

(c) For school districts issuing bonds to finance the plan, the plan must include a debt service schedule demonstrating that the debt service revenue required to pay the principal and interest on the bonds each year will not exceed the projected long-term facilities revenue for that year.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

Sec. 7. Minnesota Statutes 2016, section 124D.05, subdivision 3, is amended to read:

Subd. 3. **Severance pay.** A district must pay severance pay to a teacher who is placed on unrequested leave of absence by the district as a result of an agreement under this section. A teacher is eligible under this subdivision if the teacher:

1. is a teacher, as defined in section 122A.40, subdivision 1, but not a superintendent;

2. has a continuing contract with the district according to section 122A.40, subdivision 7.

The amount of severance pay must be equal to the teacher's salary for the school year during which the teacher was placed on unrequested leave of absence minus the gross amount the teacher was paid during the 12 months following the teacher's termination of salary, by an entity whose teachers by statute or rule must possess a valid Minnesota teaching license, and minus the amount a teacher receives as severance or other similar pay according to a contract with the district or district policy. These entities include, but are not limited to, the district that placed the teacher on unrequested leave of absence, another district in Minnesota, an education district, an intermediate school district, a service cooperative, a board formed under section 471.59, a state residential academy, the Perpich Center for Arts Education, a vocational center, or a special education cooperative. These entities do not include a district in another state, a Minnesota public postsecondary institution, or a state agency. Only amounts earned by the teacher as a substitute teacher or in a position requiring a valid Minnesota teaching license shall be subtracted. A teacher may decline any offer of employment as a teacher without loss of rights to severance pay.

To determine the amount of severance pay that is due for the first six months following termination of the teacher's salary, the district may require the teacher to provide documented evidence of the teacher's employers and gross earnings during that period. The district must pay the teacher the amount of severance pay it determines to be due from the proceeds of...
the levy for this purpose. To determine the amount of severance pay that is due for the
second six months of the 12 months following the termination of the teacher's salary, the
district may require the teacher to provide documented evidence of the teacher's employers
and gross earnings during that period. The district must pay the teacher the amount of
severance pay it determines to be due from the proceeds of the levy for this purpose.

A teacher who receives severance pay under this subdivision waives all further
reinstatement rights under section 122A.40, subdivision 10 or 11. If the teacher receives
severance pay, the teacher must not receive credit for any years of service in the district
paying severance pay prior to the year in which the teacher becomes eligible to receive
severance pay.

The severance pay is subject to section 465.72. The district may levy annually according
to section 126C.43 for the severance pay.

**EFFECTIVE DATE.** This section is effective June 30, 2018.

Sec. 8. [127A.155] LOLA AND RUDY PERPICH ARTS EDUCATION DIVISION.

Subdivision 1. Establishment of arts education division. The department must provide
arts support services to school districts throughout Minnesota through the establishment of
the Lola and Rudy Perpich arts education and outreach division.

Subd. 2. Division responsibilities. (a) The Perpich division must offer resources and
outreach services statewide to enhance arts education opportunities for pupils in elementary
and secondary school. The Perpich division must work with school districts across Minnesota
to:

(1) gather and conduct research in arts education;

(2) develop exemplary curriculum, instructional practices, and assessments;

(3) disseminate information regarding arts education opportunities; and

(4) provide materials, training, and assistance to the arts education committees in school
districts.

(b) The Perpich division must collaborate with the commissioner of education to develop
arts standards and strengthen state policies related to arts education.

(c) The Perpich division must serve as liaison for the Department of Education to national
organizations for arts education.
(d) The commissioner may, on behalf of the Perpich division, apply for funds from public and private sources.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 9. Minnesota Statutes 2016, section 297A.70, subdivision 2, is amended to read:

Subd. 2. **Sales to government.** (a) All sales, except those listed in paragraph (b), to the following governments and political subdivisions, or to the listed agencies or instrumentalities of governments and political subdivisions, are exempt:

1. the United States and its agencies and instrumentalities;

2. school districts, local governments, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Perpich Minnesota Center for Arts Education, and an instrumentality of a political subdivision that is accredited as an optional/special function school by the North Central Association of Colleges and Schools;

3. hospitals and nursing homes owned and operated by political subdivisions of the state of tangible personal property and taxable services used at or by hospitals and nursing homes;

4. notwithstanding paragraph (d), the sales and purchases by the Metropolitan Council of vehicles and repair parts to equip operations provided for in section 473.4051 are exempt through December 31, 2016;

5. other states or political subdivisions of other states, if the sale would be exempt from taxation if it occurred in that state; and

6. public libraries, public library systems, multicounty, multitype library systems as defined in section 134.001, county law libraries under chapter 134A, state agency libraries, the state library under section 480.09, and the Legislative Reference Library.

(b) This exemption does not apply to the sales of the following products and services:

1. building, construction, or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility;

2. construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities;
(3) the leasing of a motor vehicle as defined in section 297B.01, subdivision 11, except for leases entered into by the United States or its agencies or instrumentalities;

(4) lodging as defined under section 297A.61, subdivision 3, paragraph (g), clause (2), and prepared food, candy, soft drinks, and alcoholic beverages as defined in section 297A.67, subdivision 2, except for lodging, prepared food, candy, soft drinks, and alcoholic beverages purchased directly by the United States or its agencies or instrumentalities; or

(5) goods or services purchased by a local government as inputs to a liquor store, gas or electric utility, solid waste hauling service, solid waste recycling service, landfill, golf course, marina, campground, cafe, or laundromat.

(c) As used in this subdivision, "school districts" means public school entities and districts of every kind and nature organized under the laws of the state of Minnesota, and any instrumentality of a school district, as defined in section 471.59.

(d) For purposes of the exemption granted under this subdivision, "local governments" has the following meaning:

(1) for the period prior to January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; and

(2) beginning January 1, 2017, local governments means statutory or home rule charter cities, counties, and townships; special districts as defined under section 6.465; any instrumentality of a statutory or home rule charter city, county, or township as defined in section 471.59; and any joint powers board or organization created under section 471.59.

EFFECTIVE DATE. This section is effective June 30, 2018.

Sec. 10. CROSSWINDS SCHOOL CONVEYANCE.

Notwithstanding the appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision 2; Laws 2001, First Special Session chapter 12, section 2, subdivision 2; and Laws 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and better the Crosswinds school facilities by the Joint Powers District No. 6067, East Metro Integration District, in Woodbury, the Crosswinds school conveyed to the Perpich Center for Arts Education under Laws 2014, chapter 294, article 2, section 20, subdivision 2, may be conveyed for continued use as an east metropolitan area integration magnet school.

EFFECTIVE DATE. This section is effective July 1, 2017.
Sec. 11. PERPICH CENTER FOR ARTS EDUCATION CLOSURE.

Subdivision 1. Perpich Center for Arts Education abolished. (a) The Perpich Center for Arts Education (Perpich Center) is abolished effective June 30, 2018. Abolishment under this section does not reduce or otherwise limit the powers and authority of the Perpich Center during the concluding duration of its existence.

(b) Notwithstanding any other law, any unexpended and unencumbered appropriations to the Perpich Center lapse to the fund or account from which they were appropriated on June 30, 2018. All money in a dedicated fund or account of the Perpich Center on June 30, 2018, must be transferred to the general fund.

Subd. 2. Library. All property in the Perpich Arts Library is transferred to the State Library Services Division of the Department of Education, in accordance with Minnesota Statutes, section 15.039, subdivisions 5 and 8, effective June 1, 2018.

Subd. 3. Student enrollment. Students enrolled in the Perpich Arts High School or Crosswinds Arts and Science School (Crosswinds school) during the 2016-2017 school year may continue to enroll in those schools for the 2017-2018 school year. No student may enroll in the Perpich Arts High School or Crosswinds school after the 2017-2018 school year.

Subd. 4. Education records. The Perpich Center must transfer the education records of each student of the Perpich Arts High School and Crosswinds school according to Minnesota Statutes, section 120A.22, subdivision 7.

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

Sec. 12. 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. Debt service equalization aid. For debt service equalization aid under Minnesota Statutes, section 123B.53, subdivision 6:

$24,908,000 ..... 2018
$22,360,000 ..... 2019

The 2018 appropriation includes $2,324,000 for 2017 and $22,584,000 for 2018.

The 2019 appropriation includes $2,509,000 for 2018 and $19,851,000 for 2019.
Subd. 3. **Long-term facilities maintenance equalized aid.** For long-term facilities maintenance equalized aid under Minnesota Statutes, section 123B.595, subdivision 9:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
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<tr>
<td>2018</td>
<td>$80,121,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$103,397,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $5,815,000 for 2017 and $74,306,000 for 2018.

The 2019 appropriation includes $8,256,000 for 2018 and $95,141,000 for 2019.

Subd. 4. **Equity in telecommunications access.** For equity in telecommunications access:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3,750,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$3,750,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2018 and 2019 shall be prorated.

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

Subd. 5. **Early repayment aid incentive.** (a) For incentive grants for a district that repays the full outstanding original principal on its capital loan by November 30, 2016, under Laws 2011, First Special Session chapter 11, article 4, section 8, as amended by Laws 2016, chapter 189, article 30, section 22:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,200,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$2,200,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

(b) Of this amount, $140,000 is for a grant to Independent School District No. 36, Kelliher; $169,000 is for a grant to Independent School District No. 95, Cromwell; $463,000 is for a grant to Independent School District No. 299, Caledonia; $206,000 is for a grant to Independent School District No. 306, Laporte; $140,000 is for a grant to Independent School District No. 362, Littlefork; $609,000 is for a grant to Independent School District No. 682, Roseau; and $473,000 is for a grant to Independent School District No. 2580, East Central.

(c) The grants may be used for any school-related purpose.

(d) The base appropriation for 2022 is $0.

Sec. 13. **REPEALER.**

Minnesota Statutes 2016, sections 129C.10; 129C.105; 129C.15; 129C.20; 129C.25; 129C.26; and 129C.30, and Minnesota Rules, parts 3600.0010, subparts 1, 2, 2a, 2b, 3, and...
Section 1. Minnesota Statutes 2016, section 123B.52, subdivision 1, is amended to read:

Subdivision 1. Contracts. A contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws and information systems software, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, must not be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice must state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance.

Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record must be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected as provided in this section. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise.

Standard requirement price contracts established for supplies or services to be purchased...
by the district must be established by competitive bids. Such standard requirement price
contracts may contain escalation clauses and may provide for a negotiated price increase
or decrease based upon a demonstrable industrywide or regional increase or decrease in the
vendor's costs. Either party to the contract may request that the other party demonstrate
such increase or decrease. The term of such contracts must not exceed two years with an
option on the part of the district to renew for an additional two years, except as provided in
subdivision 7. Contracts for the purchase of perishable food items, except milk for school
lunches and vocational training programs, in any amount may be made by direct negotiation
by obtaining two or more written quotations for the purchase or sale, when possible, without
advertising for bids or otherwise complying with the requirements of this section or section
471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least
one year after receipt.

Every contract made without compliance with the provisions of this section shall be
void. Except in the case of the destruction of buildings or injury thereto, where the public
interest would suffer by delay, contracts for repairs may be made without advertising for
bids.

**EFFECTIVE DATE.** This section is effective for contracts entered into on or after July
1, 2017.

Sec. 2. Minnesota Statutes 2016, section 123B.52, is amended by adding a subdivision to
read:

Subd. 7. **Food service contracts.** A contract between a school board and a food service
management company that complies with Code of Federal Regulations, title 7, section
210.16, may be renewed annually after its initial term for not more than four additional
years.

**EFFECTIVE DATE.** This section is effective for contracts entered into on or after July
1, 2017.

Sec. 3. **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. **School lunch.** For school lunch aid under Minnesota Statutes, section 124D.111,
and Code of Federal Regulations, title 7, section 210.17:
Subd. 3. *School breakfast.* For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$16,670,000</td>
<td>2019</td>
<td>$17,172,000</td>
</tr>
</tbody>
</table>

Subd. 4. *Kindergarten milk.* For kindergarten milk aid under Minnesota Statutes, section 124D.118:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$758,000</td>
<td>2019</td>
<td>$758,000</td>
</tr>
</tbody>
</table>

Subd. 5. *Summer school food service replacement aid.* For summer school food service replacement aid under Minnesota Statutes, section 124D.119:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$150,000</td>
<td>2019</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

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

**ARTICLE 7**

**LIBRARIES**

Section 1. Minnesota Statutes 2016, section 134.31, subdivision 2, is amended to read:

Subd. 2. *Advice and instruction.* The Department of Education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to postsecondary educational institutions, school districts or charter schools, state agencies, governmental units, nonprofit organizations, or private entities. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services. The department shall also provide assistance to school districts, regional library systems, and member libraries interested in offering joint library services at a single location.
Sec. 2. 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 aid under Minnesota Statutes, section 134.355:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$13,570,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $1,357,000 for 2017 and $12,213,000 for 2018.

The 2019 appropriation includes $1,357,000 for 2018 and $12,213,000 for 2019.

Subd. 3. Multicounty, multitype library systems. For aid under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,300,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $130,000 for 2017 and $1,170,000 for 2018.

The 2019 appropriation includes $130,000 for 2018 and $1,170,000 for 2019.

Subd. 4. Electronic library for Minnesota. For statewide licenses to online databases selected in cooperation with the Minnesota Office of Higher Education for school media centers, public libraries, state government agency libraries, and public or private college or university libraries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$900,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

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

Subd. 5. Regional library telecommunications aid. For regional library telecommunications aid under Minnesota Statutes, section 134.355:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,300,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $230,000 for 2017 and $2,070,000 for 2018.

The 2019 appropriation includes $230,000 for 2018 and $2,070,000 for 2019.

EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 8

EARLY CHILDHOOD AND FAMILY SUPPORT

Section 1. Minnesota Statutes 2016, section 13.321, is amended by adding a subdivision to read:

Subd. 11. Director of early education and development. Access by the director of early education and development to private data on individuals is provided under section 119C.03, subdivision 6.

Sec. 2. Minnesota Statutes 2016, section 13.461, is amended by adding a subdivision to read:

Subd. 33. Director of early education and development. Access by the director of early education and development to private data on individuals is provided under section 119C.03, subdivision 6.

Sec. 3. [119C.01] DEFINITIONS.

Subdivision 1. Application. The definitions in this section apply to this chapter.

Subd. 2. Commissioner. "Commissioner" means the commissioner of administration.

Subd. 3. Department. "Department" means the Department of Administration.

Subd. 4. Director. "Director" means the director of early education and development.

Subd. 5. Early education programs. "Early education programs" include:

1) the school readiness program under sections 124D.15 and 124D.16;

2) the early learning scholarship program under section 124D.165; and

3) the Head Start program under sections 119A.50 to 119A.545.

Sec. 4. [119C.02] POLICY AND PURPOSE.

(a) The purpose of this chapter is to establish an Office of Early Education and Development to coordinate Minnesota's early education and development programs and funding in accordance with state law.

(b) It is in the best interests of Minnesota families that early education and development programs be coordinated to maximize quality, access, accountability, and cost-effectiveness.
Sec. 5. [119C.03] DIRECTOR OF EARLY EDUCATION AND DEVELOPMENT.

Subdivision 1. Appointment. The governor must appoint the director of early education and development, subject to the advice and consent of the senate. The director must report to the commissioner, who must provide necessary administrative support to the director.

Subd. 2. Qualifications. The governor must select the director on the basis of professional qualifications and knowledge of early childhood development, early childhood education, and related public policies. The director serves in the unclassified service for a term of four years. The first term must end on December 31, 2020. The governor may remove the director for cause. If a director resigns or is removed for cause, the governor must appoint a director for the remainder of the term.

Subd. 3. Compensation. Compensation of the director shall be established under chapter 15A.

Subd. 4. Duties; powers. (a) The director must:

(1) develop early education program policies;
(2) coordinate outreach to eligible families to provide uniform notification about available program options;
(3) streamline the administration of each early education program;
(4) manage data collection to support and evaluate a coordinated system of early child care and education;
(5) coordinate internal and external evaluation of early child care and educational programs to measure and report on their effectiveness and efficiency;
(6) calculate the total aid to each child for the programs listed in section 119C.01, subdivision 5;
(7) establish the aid limit under section 119C.05;
(8) develop data-sharing agreements and memoranda of understanding, as necessary, with the commissioners of administration, education, health, and human services; and
(9) serve as executive director of the Children's Cabinet established in section 4.045.

(b) In carrying out the duties under paragraph (a), the director has the authority to:

(1) direct the commissioner of education to administer early education programs according to the director's plans developed under paragraph (a);
(2) direct the commissioner of human services to administer the quality rating and improvement system according to the director's plans developed under paragraph (a);
(3) direct and control money appropriated to the director; and
(4) enter into agreements with other state agencies to provide appropriate funding to early child care and education programs.

Subd. 5. Coordination with other agencies. (a) The commissioner of human services and the commissioner of education must provide the director data on early education and child care assistance program participants under subdivision 6.
(b) The director must coordinate early education program activities, including the quality rating and improvement system, with advice from the commissioner of education and the commissioner of human services.
(c) The director must coordinate with the commissioner of education and the commissioner of human services to develop a form by which the parent or guardian of a child participating in an applicable early child care and education program may consent to share private data with the director. The consent form must specify what data is being shared, what government entities will have access to the shared data, and the purpose for the data sharing. The consenting parent or guardian may withdraw consent, in writing, at any time.
The ability of a parent or child to receive services is not affected by a refusal to give consent under this paragraph.

Subd. 6. Data practices. (a) Subject to the limitations in paragraphs (b) and (c), the director is authorized to access the following private data on individuals:
(1) educational data as defined in section 13.32, subdivision 1, paragraph (a); and
(2) data collected, maintained, used, or disseminated by the welfare system as defined in section 13.46, subdivision 1, paragraph (c).
(b) The director may only access private data relating to an individual's participation in the following programs:
(1) the school readiness program under sections 124D.15 and 124D.16;
(2) the early learning scholarship program under section 124D.165;
(3) the Head Start program under sections 119A.50 to 119A.545;
(4) a child care assistance program under chapter 119B; and
(5) the kindergarten readiness assessment under section 124D.162.
The director may only access private data on an individual whose parent or guardian has consented to share data with the director under subdivision 5, paragraph (c). Subd. 7. Annual report. The director must submit an annual report to the chairs and ranking minority members of the legislative committees having jurisdiction over education in accordance with section 3.195. The report must include data relating to the number of children participating in each program, the participating families' income levels, aid received per child per program, total aid received per child per family, and the number of waivers to the aid limit granted. The director must submit the report by January 15, 2020, and annually thereafter.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 6. [119C.04] PROGRAM ADMINISTRATION. Subdivision 1. Other funds. The director may direct the commissioner of education and commissioner of human services to:

1. apply for and receive federal funds made available to the state by federal law or rule for any purpose related to the administration of early education funds; and
2. apply for and receive donations or grants from a public or private entity.

Subd. 2. Sliding fee. The director may charge a fee on a sliding scale for a program under this chapter with consideration for program quality, program schedule, or family income.

Subd. 3. Accountability. Each child enrolled in a program under this chapter must receive a kindergarten readiness assessment consistent with section 124D.162.

Subd. 4. Program aid guarantee. The director must administer program and child eligibility and program aid amounts for each early education program under this chapter consistent with statutory provisions for each early education program under this chapter. An early education program under this chapter must receive aid in fiscal year 2018 and later that is equal to or greater than the aid the program received in fiscal year 2017.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 7. [119C.05] AID LIMITS. Subdivision 1. Director to establish limits. (a) Notwithstanding any law to the contrary, the director must establish the maximum annual aid a child three or four years of age may generate from any combination of programs under this chapter based on family income
The director must establish the aid limits by January 15, 2019, and implement the aid limits by July 1, 2019.

(b) The aid limit under this section must be based on the director's review of the market rate survey under section 119B.02 and information provided by the commissioner of education and commissioner of human services regarding aid generated to a child through multiple programs.

Subd. 2. Aid limit effect. If the total aid to a child enrolled in a combination of programs would exceed the aid limit, the director must reduce the aid to the child participating in the programs.

Subd. 3. Programs included in limit. For the purposes of the limit under this subdivision, the director must include any federal Head Start aids attributable to a child.

Subd. 4. Limit waiver. Notwithstanding subdivision 1, the director may waive the aid limit for children facing extreme hardship or urgent need. The director must waive the aid limit for families: experiencing homelessness, with children in foster care or awaiting foster care placement, or involved with the child protection system. For purposes of this section, the director must find that a family is experiencing homelessness if the family includes "homeless children or youths" as defined in the McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 8. [119C.06] EARLY EDUCATION RESOURCE HUBS.

(a) The director may establish early education resource hubs throughout the state. The director shall contract with appropriate organizations to serve as resource hubs.

(b) Early education resource hubs must, in consultation with a regionally representative group of program participant parents, develop strategies to support outreach to families, connection to resources, and program choice.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 123B.595, subdivision 1, is amended to read:

Subdivision 1. Long-term facilities maintenance revenue. (a) For fiscal year 2017 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $193 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus the cost approved by the commissioner for indoor
(a) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of $100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(b) For fiscal year 2018 only, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $292 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of $100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.

(c) For fiscal year 2019 and later, long-term facilities maintenance revenue equals the greater of (1) the sum of (i) $380 times the district's adjusted pupil units times the lesser of one or the ratio of the district's average building age to 35 years, plus (ii) the cost approved by the commissioner for indoor air quality, fire alarm and suppression, and asbestos abatement projects under section 123B.57, subdivision 6, with an estimated cost of $100,000 or more per site, plus (iii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction, or (2) the sum of (i) the amount the district would have qualified for under Minnesota Statutes 2014, section 123B.57, Minnesota Statutes 2014, section 123B.59, and Minnesota Statutes 2014, section 123B.591, and (ii) for a school district with an approved voluntary prekindergarten program under section 124D.151, the cost approved by the commissioner for remodeling existing instructional space to accommodate prekindergarten instruction.
under section 124D.151, the cost approved by the commissioner for remodeling existing
instructional space to accommodate prekindergarten instruction.

(d) Notwithstanding paragraphs (a), (b), and (c), a school district that qualified for
eligibility under Minnesota Statutes 2014, section 123B.59, subdivision 1, paragraph (a),
for fiscal year 2010 remains eligible for funding under this section as a district that would
have qualified for eligibility under Minnesota Statutes 2014, section 123B.59, subdivision
1, paragraph (a), for fiscal year 2017 and later.

Sec. 10. Minnesota Statutes 2016, section 124D.1158, subdivision 3, is amended to read:

Subd. 3. Program reimbursement. Each school year, the state must reimburse each
participating school 30 cents for each reduced-price breakfast, 55 cents for each fully paid
breakfast served to students in grades 1 to 12, and $1.30 for each fully paid breakfast served
to a prekindergarten student enrolled in an approved voluntary prekindergarten program
under section 124D.151 or a kindergarten student.

Sec. 11. Minnesota Statutes 2016, section 124D.1158, subdivision 4, is amended to read:

Subd. 4. No fees. A school that receives school breakfast aid under this section must
make breakfast available without charge to all participating students in grades 1 to 12 who
qualify for free or reduced-price meals and to all prekindergarten students enrolled in an
approved voluntary prekindergarten program under section 124D.151 and all kindergarten
students.

Sec. 12. Minnesota Statutes 2016, section 124D.135, subdivision 1, is amended to read:

Subdivision 1. Revenue. The revenue for early childhood family education programs
for a school district equals $120 for fiscal year 2014 and the formula allowance for the year
times 0.023 for fiscal year 2017, $140.77 for fiscal year 2015 2018, and $141.20 for fiscal
year 2019 and later, times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the district on October 1 of
the previous school year.

Sec. 13. Minnesota Statutes 2016, section 124D.15, subdivision 1, is amended to read:

Subdivision 1. Establishment; purpose. A district, charter school, or a group of districts
or charter schools may establish a school readiness program for children age three to
kindergarten entrance. The purpose of a school readiness program is to prepare children to enter kindergarten.

Sec. 14. Minnesota Statutes 2016, section 124D.16, subdivision 2, is amended to read:

Subd. 2. Amount of aid. (a) A district or charter school is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) A school district or charter school must receive school readiness aid equal to:

(1) the number of four-year-old children in the school district on October 1 for the previous school year and, for a charter school, the number of kindergarten pupils enrolled in the charter school on October 1 for the previous school year, times the ratio of 50 percent of the total school readiness aid for that year to the sum of the total number of four-year-old children for school districts and the total number of kindergarten pupils for charter schools reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district or charter school from families eligible for the free or reduced-price school lunch program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced-price school lunch program for the previous school year.

(c) The total school readiness aid entitlement equals $23,558,000 for fiscal year 2016 and $33,683,000 for fiscal year 2017, $37,683,000 for fiscal year 2018, and $38,683,000 for fiscal year 2019 and later.

Sec. 15. Minnesota Statutes 2016, section 124D.165, subdivision 1, is amended to read:

Subdivision 1. Establishment; purpose. There is established an early learning scholarships program in order to increase close the opportunity gap by increasing access to high-quality early childhood programs for children ages three to five.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 16. Minnesota Statutes 2016, section 124D.165, subdivision 2, is amended to read:

Subd. 2. Family eligibility. (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:
(1) have an eligible child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or child and adult care food program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; or

(4) homeless, in foster care, or in need of child protective services.

(d) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(e) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.
A child from an adjoining state whose family resides at a Minnesota address assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 17. Minnesota Statutes 2016, section 124D.165, subdivision 3, is amended to read:

Subd. 3. Administration. (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner shall not designate scholarships for use in predetermined qualifying programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care or otherwise in need of protection or services; or

(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) For fiscal years 2014 and 2015 only, scholarships may not exceed $5,000 per year for each eligible child. For fiscal year 2016 and later, the commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph subdivision 4 may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.
(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child who receives a scholarship who has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 18. Minnesota Statutes 2016, section 124D.165, subdivision 4, is amended to read:

Subd. 4. Early childhood program eligibility. (a) In order to be eligible to accept an early learning scholarship, a program must:

1. participate in the quality rating and improvement system under section 124D.142;
2. beginning July 1, 2016 2022, have a three- or four-star rating in the quality rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.

Sec. 19. Minnesota Statutes 2016, section 124D.59, subdivision 2, is amended to read:

Subd. 2. English learner. (a) "English learner" means a pupil in kindergarten through grade 12 or a prekindergarten student enrolled in an approved voluntary prekindergarten program under section 124D.151 who meets the requirements under subdivision 2a or 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 a valid assessment measuring the pupil's English language proficiency and 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 academic classes taught in English.

(b) A pupil enrolled in a Minnesota public school in any grade 4 through 12 who in the previous school year took a commissioner-provided assessment measuring the pupil's emerging academic English, shall be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall generate state English learner aid under section 124D.65, subdivision 5, if the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on the assessment measuring the pupil's emerging academic English, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in prekindergarten under section 124D.151, through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners under sections 124D.58 to 124D.64; or

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

Sec. 20. [124D.99] EDUCATION PARTNERSHIPS COALITION FUND.

Subdivision 1. Program establishment. The commissioner of education shall establish a program supporting a coalition of coordinated, aligned education partnerships as specified in this section, for a comprehensive network of evidence-based support services designed to close opportunity gaps by improving educational and developmental outcomes of children and their families within communities experiencing poverty and impediments to economic viability.
Subd. 2. Definitions. (a) For purposes of this section the terms defined in this subdivision have the meanings given them.

(b) "Tier 1 grant" means a sustaining grant for the ongoing operation, stability, and expansion of existing education partnership program locations.

(c) "Tier 2 grant" means an implementation grant for expanding activity in education partnership program locations.

Subd. 3. Administration; design. (a) The commissioner shall establish program requirements, an application process and timeline for each tier of grants specified in subdivision 4, criteria for evaluation of applications, and a grant awards process. The commissioner's process must minimize administrative costs, minimize burdens for applicants and grant recipients, and provide a framework that permits flexibility in program design and implementation among grant recipients.

(b) To the extent practicable, the commissioner shall design the program to align with programs implemented or proposed by organizations in Minnesota that:

1. identify and increase the capacity of organizations that are focused on achieving data-driven, locally controlled positive outcomes for children and youth throughout an entire neighborhood or geographic area through programs such as Strive Together, Promise Neighborhood, and the Education Partnerships Coalition members;

2. build a continuum of educational family and community supports with academically rigorous schools at the center;

3. maximize program efficiencies by integrating programmatic activities and eliminating administrative barriers;

4. develop local infrastructure needed to sustain and scale up proven and effective solutions beyond the initial neighborhood or geographic area; and

5. utilize appropriate outcome measures based on unique community needs and interests and apply rigorous evaluation on a periodic basis to be used to both monitor outcomes and allow for continuous improvements to systems.

(c) The commissioner, in consultation with grant recipients, must:

1. develop and revise core indicators of progress toward outcomes specifying impacts for each tier identified under subdivision 4;

2. establish a reporting system for grant recipients to measure program outcomes using data sources and program goals; and
(3) evaluate effectiveness based on the core indicators established by each partnership for each tier.

Subd. 4. Requirements. (a) A grant recipient's program in the planning, development, or implementation phase must include:

(1) integrated supportive services programming, as specified in paragraph (b), within a specific community or geographic area for all ages of children and youth and their families within that area, provided that services may be phased in to all ages over time; and

(2) a system for evaluating goals and outcomes as provided under subdivision 3, paragraph (c).

(b) A grant recipient's supportive services programming must address:

(1) kindergarten readiness and youth development;

(2) grade 3 reading proficiency;

(3) high school graduation;

(4) postsecondary educational attainment;

(5) physical and mental health;

(6) development of career skills and readiness;

(7) parental engagement and development;

(8) community engagement and programmatic alignment; and

(9) reduction of remedial education.

Subd. 5. Grants. The commissioner shall award Tier 1 and Tier 2 grants to qualifying recipients that can demonstrate a nonstate source of funds, including in-kind contributions.

Subd. 6. Legislative report. By December 15 of each odd-numbered year, the commissioner shall submit a report on the education partnership program to the chairs and ranking minority members of the legislative committees having jurisdiction over kindergarten through grade 12 education, early childhood education, economic development, and human services. At a minimum, the report must summarize grantee activities, identify grant recipients and awards, analyze program performance measures and outcomes, and make any recommendations for legislative changes.

EFFECTIVE DATE. This section is effective July 1, 2017, and subdivision 6 applies to reports due starting in calendar year 2019.
Sec. 21. Minnesota Statutes 2016, section 126C.05, subdivision 1, is amended to read:

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

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individualized education program is counted as the ratio of the number of hours of assessment and education service to 825 times 1.0 with a minimum average daily membership of 0.28, but not more than 1.0 pupil unit.

(b) A prekindergarten pupil who is assessed but determined not to be disabled is counted as the ratio of the number of hours of assessment service to 825 times 1.0.

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

(d) A prekindergarten pupil who is not included in paragraph (a) or (b) and is enrolled in an approved voluntary prekindergarten program under section 124D.151 is counted as the ratio of the number of hours of instruction to 850 times 1.0, but not more than 0.6 pupil units.

(e) A kindergarten pupil who is not included in paragraph (c) is counted as 1.0 pupil unit if the pupil is enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school that meets the minimum hours requirement in section 120A.41, or is counted as .55 pupil unit, if the pupil is not enrolled in a free all-day, every day kindergarten program available to all kindergarten pupils at the pupil's school.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.0 pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.2 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.2 pupil units.
Sec. 22. REPORT REQUIRED.

No later than January 15, 2018, the commissioner of human services and the commissioner of education must deliver a report to the chairs and ranking minority members of the legislative committees having jurisdiction over early childhood education and human services. At a minimum, the report must:

1. make recommendations relating to:
   1. coordinating state resources for child care assistance provided through the basic sliding fee program under Minnesota Statutes, section 119B.03, and the Minnesota family investment program under Minnesota Statutes, chapter 256J;
   2. aligning family income eligibility requirements for programs under Minnesota Statutes, chapters 119B, 119C, and 256J;
   3. reducing duplicative paperwork and administrative burden and increasing the stability of funding for families of children eligible for both an early learning scholarship and support from the child care assistance program;
   4. maximizing child care assistance program integrity and payment mechanisms to increase accountability and efficiency;
   5. integrating the data collection systems of the child care assistance program and other early education and development programs currently administered by the Department of Education, the Department of Human Services, and the Department of Health;
   6. selecting appropriate organizations to serve as early education resource hubs under Minnesota Statutes, section 119C.06, and supporting outreach to families through the resource hubs;
   7. transferring powers and duties related to other early education and development programs currently administered by the Department of Education, the Department of Human Services, or the Department of Health; and
   8. developing a universal application form for child care assistance under Minnesota Statutes, chapter 119B, and early education programs under Minnesota Statutes, chapter 119C;

2. provide data, to the extent practicable, on the number of children participating in more than one child care or early education program administered by the Department of Human Services or the Department of Education, including the aid received by the participants under each program; and
(3) identify any barriers to tracking the total amount of aid each child receives from a combination of programs. The report must be submitted in accordance with Minnesota Statutes, section 3.195.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 23. **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. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$37,283,000</td>
<td>2019</td>
<td>$38,583,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $3,368,000 for 2017 and $33,915,000 for 2018.

The 2019 appropriation includes $3,768,000 for 2018 and $34,815,000 for 2019.

Subd. 3. **Early learning scholarships.** For the early learning scholarship program under Minnesota Statutes, section 124D.165:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$72,184,000</td>
</tr>
<tr>
<td>2019</td>
<td>$72,184,000</td>
</tr>
</tbody>
</table>

Up to $750,000 each year is for administration of this program.

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

Subd. 4. **Head Start program.** For Head Start programs under Minnesota Statutes, section 119A.52:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$25,100,000</td>
</tr>
<tr>
<td>2019</td>
<td>$25,100,000</td>
</tr>
</tbody>
</table>

Subd. 5. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$29,892,000</td>
</tr>
<tr>
<td>2019</td>
<td>$30,571,000</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $2,904,000 for 2017 and $26,988,000 for 2018.

The 2019 appropriation includes $2,998,000 for 2018 and $27,573,000 for 2019.
Subd. 6. **Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$3,606,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$3,629,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $358,000 for 2017 and $3,248,000 for 2018.

The 2019 appropriation includes $360,000 for 2018 and $3,269,000 for 2019.

Subd. 7. **Parent-child home program.** For a grant to the parent-child home program:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$850,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$850,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The grant must be used for an evidence-based and research-validated early childhood literacy and school readiness program for children ages 16 months to four years at its existing suburban program location. The program must include urban and rural program locations for fiscal years 2018 and 2019.

The base appropriation for this program for fiscal year 2020 and later is $850,000.

Subd. 8. **Kindergarten entrance assessment initiative and intervention program.**

For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$281,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$281,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

Subd. 9. **Quality rating and improvement system.** (a) For transfer to the commissioner of human services for the purposes of expanding the quality rating and improvement system under Minnesota Statutes, section 124D.142, in greater Minnesota and increasing supports for providers participating in the quality rating and improvement system:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$1,750,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$1,750,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

(b) The amounts in paragraph (a) must be in addition to any federal funding under the child care and development block grant authorized under Public Law 101-508 in that year for the system under Minnesota Statutes, section 124D.142.

(c) Any balance in the first year does not cancel but is available in the second year.

(d) The base for this program in fiscal year 2020 and later is $1,750,000.
Subd. 10. Early childhood programs at tribal schools. For early childhood family education programs at tribal contract schools under Minnesota Statutes, section 124D.83.

Subdivision 4:

$ 68,000 ..... 2018
$ 68,000 ..... 2019

Subd. 11. Educate parents partnership. For the educate parents partnership under Minnesota Statutes, section 124D.129:

$ 49,000 ..... 2018
$ 49,000 ..... 2019

Subd. 12. Home visiting aid. For home visiting aid under Minnesota Statutes, section 124D.135:

$ 527,000 ..... 2018
$ 571,000 ..... 2019

The 2018 appropriation includes $0 for 2017 and $527,000 for 2018.

The 2019 appropriation includes $58,000 for 2018 and $513,000 for 2019.

Subd. 13. Tier 1 grants. (a) For education partnership program Tier 1 sustaining grants under Minnesota Statutes, section 124D.99:

$ 2,600,000 ..... 2018
$ 2,600,000 ..... 2019

(b) Of the amounts in paragraph (a), $1,300,000 each year is for the Northside Achievement Zone and $1,300,000 each year is for the St. Paul Promise Neighborhood.

(c) The base funding for Tier 1 sustaining grants is $2,600,000.

(d) Any balance in the first year does not cancel but is available in the second year.

Subd. 14. Tier 2 implementing grants. (a) For Tier 2 implementing grants under Minnesota Statutes, section 124D.99:

$ 480,000 ..... 2018
$ 480,000 ..... 2019

(b) Of the amounts in paragraph (a), $160,000 each year is for the Northfield Healthy Community Initiative in Northfield; $160,000 is for the Jones Family Foundation for the Every Hand Joined program in Red Wing; and $160,000 is for the United Way of Central Minnesota for the Partners for Student Success program.

(c) Any balance in the first year does not cancel but is available in the second year.
Sec. 24. Appropriations; Office of Early Education and Development.

Subdivision 1. Office of early education and development. The sums indicated in this section are appropriated from the general fund to the office of early education and development for the fiscal years designated.

Subd. 2. Director. (a) For the office of early education and development, including personnel costs:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$200,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$200,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

Sec. 25. Revisor's Instruction.

The revisor of statutes shall revise, as necessary, and recodify in Minnesota Statutes, chapter 119C, the early education programs defined in section 119C.01, subdivision 5.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 26. Repealer.

Minnesota Statutes 2016, section 124D.151, is repealed.

ARTICLE 9

Community Education and Prevention

Section 1. 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. Community education aid. For community education aid under Minnesota Statutes, section 124D.20:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$483,000</td>
<td>2018</td>
</tr>
<tr>
<td>2019</td>
<td>$393,000</td>
<td>2019</td>
</tr>
</tbody>
</table>

The 2018 appropriation includes $53,000 for 2017 and $430,000 for 2018.

The 2019 appropriation includes $47,000 for 2018 and $346,000 for 2019.

Subd. 3. Adults with disabilities program aid. For adults with disabilities programs under Minnesota Statutes, section 124D.56:
The 2018 appropriation includes $71,000 for 2017 and $639,000 for 2018.

The 2019 appropriation includes $71,000 for 2018 and $639,000 for 2019.

Subd. 4. Hearing-impaired adults. For programs for hearing-impaired adults under Minnesota Statutes, section 124D.57:

Subd. 5. School-age care aid. For school-age care aid under Minnesota Statutes, section 124D.22:

The 2018 appropriation includes $0 for 2017 and $1,000 for 2018.

The 2019 appropriation includes $0 for 2018 and $1,000 for 2019.

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

ARTICLE 10

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2016, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. State total adult basic education aid. (a) The state total adult basic education aid for fiscal year 2011 equals $44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

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

(2) the lesser of:

(i) 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.
Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

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

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2018 and later.

Sec. 2. Minnesota Statutes 2016, section 124D.549, is amended to read:

124D.549 GENERAL EDUCATION DEVELOPMENT (GED) TESTS RULES; COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST.

The commissioner may amend rules to reflect changes in the national minimum standard score for passing the general education development (GED) tests, in consultation with adult basic education stakeholders, must select a high school equivalency test. The commissioner may issue a high school equivalency diploma to a Minnesota resident 19 years of age or older who has not earned a high school diploma, who has not previously been issued a general education development (GED) test, and who has exceeded or achieved a minimum passing score on the equivalency test established by the publisher. The commissioner of education may waive the minimum age requirement if supportive evidence is provided by an employer or a recognized education or rehabilitation provider.

Sec. 3. Minnesota Statutes 2016, section 124D.55, is amended to read:

124D.55 GENERAL EDUCATION DEVELOPMENT (GED) COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY TEST FEES.

The commissioner shall pay 60 percent of the fee that is charged to an eligible individual for the full battery of general education development (GED) tests, but not more than $40 for an eligible individual. For fiscal year 2017 only, the commissioner shall pay 100 percent of the fee charged to an eligible individual for the full battery of general education development (GED) tests, but not more than the cost of one full battery of tests per year for any individual.

Sec. 4. Minnesota Statutes 2016, section 256J.08, subdivision 38, is amended to read:

Subd. 38. **Full-time student.** "Full-time student" means a person who is enrolled in a graded or ungraded primary, intermediate, secondary, GED commissioner of

Article 10 Sec. 4. 126
Sec. 5. Minnesota Statutes 2016, section 256J.08, subdivision 39, is amended to read:

Subd. 39. General educational development or GED Commissioner of education-selected high school equivalency. "General educational development" or "GED" means the general educational development high school equivalency certification issued by the commissioner of education as an equivalent to a secondary school diploma under Minnesota Rules, part 3500.3100, subpart 4 section 124D.549.

Sec. 6. 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. Adult basic education aid. For adult basic education aid under Minnesota Statutes, section 124D.531:

$ 49,133,000 ..... 2018
$ 49,735,000 ..... 2019

The 2018 appropriation includes $4,881,000 for 2017 and $44,252,000 for 2018.

The 2019 appropriation includes $4,917,000 for 2018 and $44,818,000 for 2019.

Subd. 3. High school equivalency tests. For payment of 60 percent of the costs of high school equivalency tests under Minnesota Statutes, section 124D.55:

$ 125,000 ..... 2018
$ 125,000 ..... 2019

Sec. 7. REVISOR'S INSTRUCTION.

In Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the term "commissioner-selected high school equivalency" or similar term for "general education development," "GED," or similar terms for wherever the term refers to the tests or programs leading to a certification issued by the commissioner of education as an equivalency to a secondary diploma.
Sec. 8. REPEALER.

Minnesota Rules, part 3500.3100, subpart 4, is repealed.

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 2016, section 122A.14, subdivision 9, is amended to read:

Subd. 9. Fee. Each person licensed by the Board of School Administrators shall pay the board a fee of $75, collected each fiscal year. When transmitting notice of the license fee, the board also must notify the licensee of the penalty for failing to pay the fee within the time specified by the board. The board may provide a lower fee for persons on retired or inactive status. After receiving notice from the board, any licensed school administrator who does not pay the fee in the given fiscal year shall have all administrative licenses held by the person automatically suspended, without the right to a hearing, until the fee has been paid to the board. If the board suspends a licensed school administrator for failing to pay the fee, it must immediately notify the district currently employing the school administrator of the school administrator's suspension. The executive secretary shall deposit the fees in the educator licensure account in the special revenue fund in the state treasury.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 2. [122A.175] SPECIAL REVENUE FUND ACCOUNTS; EDUCATOR LICENSURE AND BACKGROUND CHECKS.

Subdivision 1. Educator licensure account. An educator licensure account is created in the special revenue fund. Applicant licensure fees received by the Department of Education, the Board of Teaching, or the Board of School Administrators must be deposited in the educator licensure account. Any funds appropriated from this account that remain unexpended at the end of the biennium cancel to the educator licensure account in the special revenue fund.

Subd. 2. Background check account. An educator licensure background check account is created in the special revenue fund. The Department of Education, the Board of Teaching, and the Board of School Administrators must deposit all payments submitted by license applicants for criminal background checks conducted by the Bureau of Criminal Apprehension in the educator licensure background check account. Amounts in the account are annually appropriated to the commissioner of education for payment to the superintendent...
of the Bureau of Criminal Apprehension for the costs of background checks on applicants for licensure.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 3. Minnesota Statutes 2016, section 122A.18, subdivision 7c, is amended to read:

Subd. 7c. Temporary military license. The Board of Teaching shall establish a temporary license in accordance with section 197.4552 for teaching. The fee for a temporary license under this subdivision shall be $87.90 for an online application or $86.40 for a paper application. The board must deposit the fees received from applicants in the educator licensure account in the special revenue fund.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 4. Minnesota Statutes 2016, section 122A.18, subdivision 8, is amended to read:

Subd. 8. Background checks. (a) The Board of Teaching and the commissioner of education must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all first-time teaching applicants for licenses under their jurisdiction. Applicants must include with their licensure applications:

1. an executed criminal history consent form, including fingerprints; and

2. a money order or cashier's check payable to the Bureau of Criminal Apprehension for the fee for conducting the criminal history background check. The Board of Teaching and the commissioner of education must deposit payments received under this subdivision in the educator licensure background check account in the special revenue fund.

(b) The superintendent of the Bureau of Criminal Apprehension shall perform the background check required under paragraph (a) by retrieving criminal history data as defined in section 13.87 and shall also conduct a search of the national criminal records repository. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost to the bureau of a background check through the fee charged to the applicant under paragraph (a).

(c) The Board of Teaching or the commissioner of education may issue a license pending completion of a background check under this subdivision, but must notify the individual that the individual's license may be revoked based on the result of the background check.
EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 5. Minnesota Statutes 2016, section 122A.21, subdivision 1, is amended to read:

Subdivision 1. Licensure applications. Each applicant submitting an application for the issuance, renewal, or extension of to the Board of Teaching to issue, renew, or extend a teaching license to teach, including applications for licensure via portfolio under subdivision 2, must be accompanied by include a processing fee of $57. The processing fee for a teacher's license and for the licenses of supervisory personnel must be paid to the executive secretary of the appropriate board and deposited in the educator licensure account in the special revenue fund. The executive secretary of the board shall deposit the fees with the commissioner of management and budget. The fees as set by the board are nonrefundable for applicants not qualifying for a license. However, a fee must be refunded by the commissioner of management and budget must refund a fee in any case in which the applicant already holds a valid unexpired license. The board may waive or reduce fees for applicants who apply at the same time for more than one license.

EFFECTIVE DATE. This section is effective July 1, 2017.

Sec. 6. Minnesota Statutes 2016, section 122A.21, subdivision 2, is amended to read:

Subd. 2. Licensure via portfolio. (a) An eligible candidate may use licensure via portfolio to obtain a professional five-year teaching license or to add a licensure field, consistent with applicable Board of Teaching licensure rules.

(b) A candidate for a professional five-year teaching license must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

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

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.
(e) A candidate must pay to the executive secretary of the Board of Teaching a $300 fee for the first portfolio submitted for review and a $200 fee for any portfolio submitted subsequently. The revenue generated from Board of Teaching executive secretary must deposit the fee must be deposited in an education the educator licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

**EFFECTIVE DATE.** This section is effective July 1, 2018.

Sec. 7. Minnesota Statutes 2016, section 122A.21, is amended by adding a subdivision to read:

Subd. 3. Annual appropriations. (a) The amounts collected under subdivision 2 and deposited in the educator licensure account in the special revenue fund are annually appropriated to the Board of Teaching.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purposes in any year from any state fund.

**EFFECTIVE DATE.** This section is effective July 1, 2017.

Sec. 8. TRANSFERS.

Subdivision 1. Portfolio account. On July 1, 2017, the commissioner of management and budget shall transfer any balances in the educator licensure portfolio account in the special revenue fund to the educator licensure account in the special revenue fund.

Subd. 2. Background check. Any balance in an account that holds fees collected under Minnesota Statutes, section 122A.18, subdivision 8, is transferred to the educator licensure background check account in the special revenue fund under Minnesota Statutes, section 122A.175, subdivision 2. On July 2, 2017, $80,000 is transferred from the educator licensure background check account in the special revenue fund to the educator licensure account in the special revenue fund.

Sec. 9. APPROPRIATIONS; DEPARTMENT OF EDUCATION.

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

Subd. 2. Department. (a) For the Department of Education:
Of these amounts:

(1) $720,000 each year is for:

(i) a dyslexia specialist;

(ii) a language arts specialist who must provide support to school districts on the implementation of language arts standards under Minnesota Statutes, section 120B.021, subdivision 1; and

(iii) implementing Minnesota's Learning for English Academic Proficiency and Success Act under Laws 2014, chapter 272, article 1, as amended; and

(2) $200,000 each year is for the Lola and Rudy Perpich arts education and outreach division.

(b) Any balance in the first year does not cancel but is available in the second year.

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

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

(e) The agency's base budget in fiscal year 2020 and later is $18,471,000.

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

Sec. 10. APPROPRIATIONS; BOARD OF TEACHING.

(a) The sums indicated in this section are appropriated from the educator licensure account in the special revenue fund or, if the amount in the educator licensure account is insufficient, from the general fund to the Board of Teaching or any successor organization for the fiscal years designated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$2,568,000</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$2,595,000</td>
<td></td>
</tr>
</tbody>
</table>

(b) This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs will be incorporated into an interagency agreement and will be paid to the Office of MN.IT Services by the Board of Teaching under the mechanism specified in that agreement.
(c) Any balance in the first year does not cancel but is available in the second year.

(d) The board's base budget for fiscal year 2020 and later is $2,590,000.

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

Sec. 11. APPROPRIATION; BOARD OF SCHOOL ADMINISTRATORS.

The sums indicated in this section are appropriated from the educator licensure account in the special revenue fund to the Board of School Administrators for the fiscal years designated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$231,000</td>
<td>.....</td>
</tr>
<tr>
<td>2019</td>
<td>$231,000</td>
<td>.....</td>
</tr>
</tbody>
</table>

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

Sec. 12. APPROPRIATIONS; MINNESOTA STATE ACADEMIES.

(a) The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and Blind for the fiscal years designated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$12,804,000</td>
<td>.....</td>
</tr>
<tr>
<td>2019</td>
<td>$12,786,000</td>
<td>.....</td>
</tr>
</tbody>
</table>

(b) Any balance in the first year does not cancel but is available in the second year.

Sec. 13. APPROPRIATIONS; PERPICH CENTER FOR ARTS EDUCATION.

(a) The sums in this section are appropriated from the general fund to the Perpich Center for Arts Education and to its successor fiscal agent for the fiscal years designated:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>$5,212,000</td>
<td>.....</td>
</tr>
<tr>
<td>2019</td>
<td>$2,786,000</td>
<td>.....</td>
</tr>
</tbody>
</table>

(b) Of the amounts appropriated in paragraph (a), $162,000 in fiscal year 2018 and $361,000 in fiscal year 2019 are for transfer to the Department of Administration.

(c) The base for fiscal year 2020 and later is $0.

(d) Any balance in the first year does not cancel but is available in the second year.

EFFECTIVE DATE. This section is effective the day following final enactment.
ARTICLE 12
FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 2, as amended by Laws 2016, chapter 189, article 27, section 17, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$6,494,435,000</td>
</tr>
<tr>
<td>2017</td>
<td>$6,848,521,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $622,908,000 for 2015 and $6,026,524,000 for 2016. The 2017 appropriation includes $641,412,000 for 2016 and $6,173,962,000 for 2017.

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

Sec. 2. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 3, is amended to read:

Subd. 3. Enrollment options transportation. For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$39,000</td>
</tr>
<tr>
<td>2017</td>
<td>$26,000</td>
</tr>
</tbody>
</table>

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

Sec. 3. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 4, as amended by Laws 2016, chapter 189, article 34, section 1, is amended to read:

Subd. 4. Abatement revenue. For abatement aid under Minnesota Statutes, section 127A.49:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$3,051,000</td>
</tr>
<tr>
<td>2017</td>
<td>$2,666,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $278,000 for 2015 and $2,773,000 for 2016.
The 2017 appropriation includes $308,000 for 2016 and $3,117,000 for 2017.

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

Sec. 4. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 6, as amended by Laws 2016, chapter 189, article 34, section 3, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$16,759,000</td>
</tr>
<tr>
<td>2017</td>
<td>$17,235,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $1,575,000 for 2015 and $15,184,000 for 2016.

The 2017 appropriation includes $1,687,000 for 2016 and $15,548,000 for 2017.

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

Sec. 5. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 7, as amended by Laws 2016, chapter 189, article 34, section 4, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$17,673,000</td>
</tr>
<tr>
<td>2017</td>
<td>$18,103,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $1,816,000 for 2015 and $15,857,000 for 2016.

The 2017 appropriation includes $1,761,000 for 2016 and $16,342,000 for 2017.

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

Sec. 6. Laws 2015, First Special Session chapter 3, article 1, section 27, subdivision 9, as amended by Laws 2016, chapter 189, article 34, section 5, is amended to read:

Subd. 9. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$5,922,000</td>
</tr>
</tbody>
</table>
EFFECTIVE DATE. This section is effective the day following final enactment.

B. EDUCATION EXCELLENCE

Sec. 7. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 2, as amended by Laws 2016, chapter 189, article 25, section 44, is amended to read:

Subd. 2. Alternative compensation. For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$78,907,000</td>
</tr>
<tr>
<td>2017</td>
<td>$88,137,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $7,766,000 for 2015 and $71,141,000 for 2016.

The 2017 appropriation includes $7,876,000 for 2016 and $81,173,000 for 2017.

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

Sec. 8. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 3, as amended by Laws 2016, chapter 189, article 25, section 45, is amended to read:

Subd. 3. Achievement and integration aid. For achievement and integration aid under Minnesota Statutes, section 124D.862:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$65,439,000</td>
</tr>
<tr>
<td>2017</td>
<td>$67,091,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $6,382,000 for 2015 and $59,057,000 for 2016.

The 2017 appropriation includes $6,561,000 for 2016 and $60,530,000 for 2017.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 9. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 4, as amended by Laws 2016, chapter 189, article 34, section 6, is amended to read:

Subd. 4. Literacy incentive aid. For literacy incentive aid under Minnesota Statutes, section 124D.98:

$44,538,000 ..... 2016
$45,855,000
$45,803,000 ..... 2017

The 2016 appropriation includes $4,683,000 for 2015 and $39,855,000 for 2016.
The 2017 appropriation includes $4,428,000 for 2016 and $41,427,000 for 2017.

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

Sec. 10. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 5, as amended by Laws 2016, chapter 189, article 34, section 7, is amended to read:

Subd. 5. Interdistrict desegregation or integration transportation grants. For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

$14,423,000 ..... 2016
$15,193,000
$13,496,000 ..... 2017

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

Sec. 11. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 7, as amended by Laws 2016, chapter 189, article 34, section 8, is amended to read:

Subd. 7. Tribal contract schools. For tribal contract school aid under Minnesota Statutes, section 124D.83:

$3,539,000 ..... 2016
$3,715,000
$3,278,000 ..... 2017

The 2016 appropriation includes $204,000 for 2015 and $3,335,000 for 2016.
The 2017 appropriation includes $370,000 for 2016 and $2,908,000 for 2017.

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 12. Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 11, as amended by Laws 2016, chapter 189, article 34, section 9, is amended to read:

Subd. 11. **American Indian education aid.** For American Indian education aid under Minnesota Statutes, section 124D.81, subdivision 2a:

\begin{align*}
\text{2016} & \quad \$7,740,000 \quad \text{.....} \quad 2016 \\
\text{2017} & \quad \$8,878,000 \\
\text{2017} & \quad \$8,838,000 \quad \text{.....} \quad 2017
\end{align*}

The 2016 appropriation includes $0 for 2015 and $7,740,000 for 2016.

The 2017 appropriation includes $860,000 for 2016 and $8,018,000 for 2017.

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

Sec. 13. Laws 2015, First Special Session chapter 3, article 4, section 9, subdivision 2, as amended by Laws 2016, chapter 189, article 28, section 10, is amended to read:

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124E.22:

\begin{align*}
\text{2016} & \quad \$63,540,000 \quad \text{.....} \quad 2016 \\
\text{2017} & \quad \$70,132,000 \\
\text{2017} & \quad \$68,046,000 \quad \text{.....} \quad 2017
\end{align*}

The 2016 appropriation includes $6,032,000 for 2015 and $57,508,000 for 2016.

The 2017 appropriation includes $6,389,000 for 2016 and $63,743,000 for 2017.

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

**C. SPECIAL EDUCATION**

Sec. 14. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 2, as amended by Laws 2016, chapter 189, article 29, section 15, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\begin{align*}
\text{2016} & \quad \$1,183,619,000 \quad \text{.....} \quad 2016 \\
\text{2017} & \quad \$1,247,107,000 \\
\text{2017} & \quad \$1,258,250,000 \quad \text{.....} \quad 2017
\end{align*}

The 2016 appropriation includes $137,932,000 for 2015 and $1,045,687,000 for 2016.
The 2017 appropriation includes $147,202,000 for 2016 and $1,099,005,000 for 2017.

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

Sec. 15. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 3, as amended by Laws 2016, chapter 189, article 34, section 10, is amended to read:

Subd. 3. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$416,000</td>
</tr>
<tr>
<td>2017</td>
<td>$482,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $35,000 for 2015 and $381,000 for 2016.

The 2017 appropriation includes $42,000 for 2016 and $393,000 for 2017.

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

Sec. 16. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 5, as amended by Laws 2016, chapter 189, article 34, section 11, is amended to read:

Subd. 5. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,307,000</td>
</tr>
<tr>
<td>2017</td>
<td>$1,516,000</td>
</tr>
</tbody>
</table>

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

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

Sec. 17. Laws 2015, First Special Session chapter 3, article 5, section 30, subdivision 6, is amended to read:

Subd. 6. **Court-placed special education revenue.** For reimbursing serving school districts for unreimbursed eligible expenditures attributable to children placed in the serving school district by court action under Minnesota Statutes, section 125A.79, subdivision 4:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$56,000</td>
</tr>
</tbody>
</table>
D. FACILITIES AND TECHNOLOGY

Sec. 18. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 2, as amended by Laws 2016, chapter 189, article 30, section 23, is amended to read:

Subd. 2. Long-term facilities maintenance equalization equalized aid. For long-term facilities maintenance equalization equalized aid under Minnesota Statutes, section 123B.595:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$52,844,000</td>
<td>2017</td>
<td>$50,571,000</td>
</tr>
</tbody>
</table>

The 2017 appropriation includes $0 for 2016 and $52,844,000 $50,571,000 for 2017.

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

Sec. 19. Laws 2015, First Special Session chapter 3, article 6, section 13, subdivision 3, as amended by Laws 2016, chapter 189, article 34, section 12, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$20,349,000</td>
<td>2017</td>
<td>$20,406,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $2,295,000 for 2015 and $18,054,000 for 2016. The 2017 appropriation includes $2,005,000 for 2016 and $20,921,000 $18,401,000 for 2017.

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

E. NUTRITION

Sec. 20. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 2, as amended by Laws 2016, chapter 189, article 27, section 18, is amended to read:

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$16,251,000</td>
<td>2017</td>
<td>$16,234,000</td>
</tr>
</tbody>
</table>

EFFECTIVE DATE. This section is effective the day following final enactment.
Sec. 21. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 3, as amended by Laws 2016, chapter 189, article 27, section 19, is amended to read:

Subd. 3. School breakfast. For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$9,457,000</td>
<td>2017</td>
<td>$9,869,000</td>
</tr>
</tbody>
</table>

Sec. 22. Laws 2015, First Special Session chapter 3, article 7, section 7, subdivision 4, as amended by Laws 2016, chapter 189, article 34, section 15, is amended to read:

Subd. 4. Kindergarten milk. For kindergarten milk aid under Minnesota Statutes, section 124D.118:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$788,000</td>
<td>2017</td>
<td>$758,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $2,713,000 for 2015 and $25,235,000 for 2016. The 2017 appropriation includes $2,803,000 for 2016 and $26,533,000 for 2017.

Sec. 23. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 5, as amended by Laws 2016, chapter 189, article 34, section 16, is amended to read:

Subd. 5. Early childhood family education aid. For early childhood family education aid under Minnesota Statutes, section 124D.135:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$27,948,000</td>
<td>2017</td>
<td>$28,944,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $2,713,000 for 2015 and $25,235,000 for 2016. The 2017 appropriation includes $2,803,000 for 2016 and $26,533,000 for 2017.
Sec. 24. Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 6, as amended by Laws 2016, chapter 189, article 34, section 17, is amended to read:

Subd. 6. **Developmental screening aid.** For developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$3,477,000</td>
</tr>
<tr>
<td>2017</td>
<td>$3,573,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $338,000 for 2015 and $3,139,000 for 2016. The 2017 appropriation includes $348,000 for 2016 and $3,225,000 for 2017.

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

Sec. 25. Laws 2015, First Special Session chapter 3, article 10, section 3, subdivision 2, as amended by Laws 2016, chapter 189, article 34, section 18, is amended to read:

Subd. 2. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$790,000</td>
</tr>
<tr>
<td>2017</td>
<td>$555,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $107,000 for 2015 and $683,000 for 2016. The 2017 appropriation includes $75,000 for 2016 and $480,000 for 2017.

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

**G. SELF-SUFFICIENCY AND LIFELONG LEARNING**

Sec. 26. Laws 2015, First Special Session chapter 3, article 11, section 3, subdivision 2, as amended by Laws 2016, chapter 189, article 34, section 19, is amended to read:

Subd. 2. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$48,231,000</td>
</tr>
<tr>
<td>2017</td>
<td>$48,762,000</td>
</tr>
</tbody>
</table>

The 2016 appropriation includes $4,782,000 for 2015 and $43,449,000 for 2016.
The 2017 appropriation includes $4,827,000 for 2016 and $44,856,000 $43,935,000 for 2017.

EFFECTIVE DATE. This section is effective the day following final enactment.
<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page/Ln</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GENERAL EDUCATION</td>
<td>2.9</td>
</tr>
<tr>
<td>2</td>
<td>EDUCATION EXCELLENCE</td>
<td>16.20</td>
</tr>
<tr>
<td>3</td>
<td>TEACHERS</td>
<td>60.4</td>
</tr>
<tr>
<td>4</td>
<td>SPECIAL EDUCATION</td>
<td>75.5</td>
</tr>
<tr>
<td>5</td>
<td>FACILITIES AND TECHNOLOGY</td>
<td>89.24</td>
</tr>
<tr>
<td>6</td>
<td>NUTRITION</td>
<td>101.3</td>
</tr>
<tr>
<td>7</td>
<td>LIBRARIES</td>
<td>103.16</td>
</tr>
<tr>
<td>8</td>
<td>EARLY CHILDHOOD AND FAMILY SUPPORT</td>
<td>105.1</td>
</tr>
<tr>
<td>9</td>
<td>COMMUNITY EDUCATION AND PREVENTION</td>
<td>124.16</td>
</tr>
<tr>
<td>10</td>
<td>SELF-SUFFICIENCY AND LIFELONG LEARNING</td>
<td>125.16</td>
</tr>
<tr>
<td>11</td>
<td>STATE AGENCIES</td>
<td>128.3</td>
</tr>
<tr>
<td>12</td>
<td>FORECAST ADJUSTMENTS</td>
<td>134.1</td>
</tr>
</tbody>
</table>
122A.40 EMPLOYMENT; CONTRACTS; TERMINATION.
Subd. 11. Unrequested leave of absence. The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:
(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;
(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;
(c) Notwithstanding the provisions of paragraph (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this paragraph do not apply to vocational education licenses;
(d) Notwithstanding paragraphs (a), (b), and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of paragraph (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;
(e) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable;
(f) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board;
(g) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave;
(h) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service;
(i) The unrequested leave of absence of a teacher who is placed on unrequested leave of absence and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any year a written statement requesting reinstatement;
(j) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence;
(k) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

122A.41 TEACHER TENURE ACT; CITIES OF THE FIRST CLASS; DEFINITIONS.
Subd. 14. Services terminated by discontinuance or lack of pupils; preference given.
(a) A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is
qualified. In the event it becomes necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) Notwithstanding the provisions of clause (a), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

(c) Notwithstanding the provisions of clause (a), a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

124D.151 VOLUNTARY PREKINDERGARTEN PROGRAM.
Subdivision 1. Establishment; purpose. A district, a charter school, a group of districts, a group of charter schools, or a group of districts and charter schools may establish a voluntary prekindergarten program. The purpose of a voluntary prekindergarten program is to prepare children for success as they enter kindergarten in the following year.

Subd. 2. Program requirements. (a) A voluntary prekindergarten program provider must:

1. provide instruction through play-based learning to foster children's social and emotional development, cognitive development, physical and motor development, and language and literacy skills, including the native language and literacy skills of English learners, to the extent practicable;

2. measure each child's cognitive and social skills using a formative measure aligned to the state's early learning standards when the child enters and again before the child leaves the program, screening and progress monitoring measures, and others from the state-approved menu of kindergarten entry profile measures;

3. provide comprehensive program content including the implementation of curriculum, assessment, and instructional strategies aligned with the state early learning standards, and kindergarten through grade 3 academic standards;

4. provide instructional content and activities that are of sufficient length and intensity to address learning needs including offering a program with at least 350 hours of instruction per school year for a prekindergarten student;

5. provide voluntary prekindergarten instructional staff salaries comparable to the salaries of local kindergarten through grade 12 instructional staff;

6. coordinate appropriate kindergarten transition with families, community-based prekindergarten programs, and school district kindergarten programs;

7. involve parents in program planning and transition planning by implementing parent engagement strategies that include culturally and linguistically responsive activities in prekindergarten through third grade that are aligned with early childhood family education under section 124D.13;

8. coordinate with relevant community-based services, including health and social service agencies, to ensure children have access to comprehensive services;

9. coordinate with all relevant school district programs and services including early childhood special education, homeless students, and English learners;

10. ensure staff-to-child ratios of one-to-ten and a maximum group size of 20 children;

11. provide high-quality coordinated professional development, training, and coaching for both school district and community-based early learning providers that is informed by a measure of adult-child interactions and enables teachers to be highly knowledgeable in early childhood curriculum content, assessment, native and English language development programs, and instruction; and

12. implement strategies that support the alignment of professional development, instruction, assessments, and prekindergarten through grade 3 curricula.

(b) A voluntary prekindergarten program must have teachers knowledgeable in early childhood curriculum content, assessment, native and English language programs, and instruction.

(c) Districts and charter schools must include their strategy for implementing and measuring the impact of their voluntary prekindergarten program under section 120B.11 and provide results in their world's best workforce annual summary to the commissioner of education.
Subd. 3. Mixed delivery of services. A district or charter school may contract with a charter school, Head Start or child care centers, family child care programs licensed under section 245A.03, or a community-based organization to provide eligible children with developmentally appropriate services that meet the program requirements in subdivision 2. Components of a mixed-delivery plan include strategies for recruitment, contracting, and monitoring of fiscal compliance and program quality.

Subd. 4. Eligibility. A child who is four years of age as of September 1 in the calendar year in which the school year commences is eligible to participate in a voluntary prekindergarten program free of charge. Each eligible child must complete a health and developmental screening within 90 days of program enrollment under sections 121A.16 to 121A.19, and provide documentation of required immunizations under section 121A.15.

Subd. 5. Application process; priority for high poverty schools. (a) To qualify for program approval for fiscal year 2017, a district or charter school must submit an application to the commissioner by July 1, 2016. To qualify for program approval for fiscal year 2018 and later, a district or charter school must submit an application to the commissioner by January 30 of the fiscal year prior to the fiscal year in which the program will be implemented. The application must include:

(1) a description of the proposed program, including the number of hours per week the program will be offered at each school site or mixed-delivery location;

(2) an estimate of the number of eligible children to be served in the program at each school site or mixed-delivery location; and

(3) a statement of assurances signed by the superintendent or charter school director that the proposed program meets the requirements of subdivision 2.

(b) The commissioner must review all applications submitted for fiscal year 2017 by August 1, 2016, and must review all applications submitted for fiscal year 2018 and later by March 1 of the fiscal year in which the applications are received and determine whether each application meets the requirements of paragraph (a).

(c) The commissioner must divide all applications for new or expanded programs meeting the requirements of paragraph (a) into four groups as follows: the Minneapolis and St. Paul school districts; other school districts located in the metropolitan equity region as defined in section 126C.10, subdivision 28; school districts located in the rural equity region as defined in section 126C.10, subdivision 28; and charter schools. Within each group, the applications must be ordered by rank using a sliding scale based on the following criteria:

(1) concentration of kindergarten students eligible for free or reduced-price lunches by school site on October 1 of the previous school year. For school district programs to be operated at locations that do not have free and reduced-price lunch concentration data for kindergarten programs for October 1 of the previous school year, including mixed-delivery programs, the school district average concentration of kindergarten students eligible for free or reduced-price lunches must be used for the rank ordering;

(2) presence or absence of a three- or four-star Parent Aware rated program within the school district or close proximity of the district. School sites with the highest concentration of kindergarten students eligible for free or reduced-price lunches that do not have a three- or four-star Parent Aware program within the district or close proximity of the district shall receive the highest priority, and school sites with the lowest concentration of kindergarten students eligible for free or reduced-price lunches that have a three- or four-star Parent Aware rated program within the district or close proximity of the district shall receive the lowest priority.

(d) The aid available for the program as specified in subdivision 6, paragraph (b), must initially be allocated among the four groups based on each group's percentage share of the statewide kindergarten enrollment on October 1 of the previous school year. Within each group, the available aid must be allocated among school sites in priority order until that region's share of the aid limit is reached. If the aid limit is not reached for all groups, the remaining amount must be allocated to the highest priority school sites, as designated under this section, not funded in the initial allocation on a statewide basis.

(e) Once a school site is approved for aid under this subdivision, it shall remain eligible for aid if it continues to meet program requirements, regardless of changes in the concentration of students eligible for free or reduced-price lunches.

(f) If the total aid entitlement approved based on applications submitted under paragraph (a) is less than the aid entitlement limit under subdivision 6, paragraph (b), the commissioner must notify all school districts and charter schools of the amount that remains available within 30 days of the initial application deadline under paragraph (a), and complete a second round of allocations based on applications received within 60 days of the initial application deadline.
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(g) Procedures for approving applications submitted under paragraph (f) shall be the same as specified in paragraphs (a) to (d), except that the allocations shall be made to the highest priority school sites not funded in the initial allocation on a statewide basis.

Subd. 6. **Program and aid entitlement limits.** (a) Notwithstanding section 126C.05, subdivision 1, paragraph (d), the pupil units for a voluntary prekindergarten program for an eligible school district or charter school must not exceed 60 percent of the kindergarten pupil units for that school district or charter school under section 126C.05, subdivision 1, paragraph (e).

(b) In reviewing applications under subdivision 5, the commissioner must limit the estimated state aid entitlement approved under this section to $27,092,000 for fiscal year 2017, $27,239,000 for fiscal year 2018, and $26,399,000 for fiscal year 2019 and later. If the actual state aid entitlement based on final data exceeds the limit in any year, the aid of the participating districts must be prorated so as not to exceed the limit.

124D.73 DEFINITIONS.
Subd. 2. **American Indian child.** "American Indian child" means any child, living on or off a reservation, who is enrolled or eligible for enrollment in a federally recognized tribe.

129C.10 **PERPICH CENTER FOR ARTS EDUCATION.**
Subdivision 1. **Governance.** (a) The board of the Perpich Center for Arts Education shall consist of 15 persons. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

(b) All board members must complete board training requirements consistent with section 127A.19.

Subd. 2. **Terms, compensation, and other.** The membership terms, compensation, removal of members, and filling of vacancies shall be as provided for in section 15.0575. A member may serve not more than two consecutive terms.

Subd. 3. **Powers and duties of board.** (a) The board has the powers necessary for the care, management, and control of the Perpich Center for Arts Education and any other school authorized in this chapter, and all their real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the Center for Arts Education and any other school authorized in this chapter.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board must adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board must educate pupils with artistic talent by providing:

1. an interdisciplinary academic and arts program for pupils in the 11th and 12th grades.

The total number of pupils accepted under this clause and clause (2) shall not exceed 310; and

2. additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board;

3. intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

4. summer arts institutes for pupils in grades 9 to 12;

5. artist mentor and extension programs in regional sites; and

6. teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Perpich Center for Arts Education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.
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(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or service cooperatives to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the Center for Arts Education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the Center for Arts Education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the commissioner of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the Center for Arts Education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

(o) The board may establish and set fees for services and programs. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 123B.38.

(p) The board may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources.

Subd. 3a. Center account. A center for arts education account is established in the special revenue fund in the state treasury. All money collected by the board, including rental income, must be deposited in the account. Money in the account, including interest earned, is appropriated to the board for the operation of its services and programs.

Subd. 3b. Appeal. A parent who disagrees with a board action that adversely affects the academic program of an enrolled pupil may appeal the board's action to the commissioner of education within 30 days of the board's action. The decision of the commissioner shall be binding on the board. The board must inform each pupil and parent at the time of enrolling of a parent's right to appeal a board action affecting the pupil's academic program.

Subd. 4. Employees. (a)(1) The board must appoint a director of the Center for Arts Education who shall serve in the unclassified service.

(2) The board must employ, upon recommendation of the director, a coordinator of resource programs who shall serve in the unclassified service.

(3) The board must employ, upon recommendation of the director, up to six department chairs who shall serve in the unclassified service. The chairs shall be licensed teachers unless no licensure exists for the subject area or discipline for which the chair is hired.

(4) The board may employ other necessary employees, upon recommendation of the director.

(5) The board must employ, upon recommendation of the director, an executive secretary for the director, who shall serve in the unclassified service.

(b) The employees hired under this subdivision and other necessary employees hired by the board shall be state employees in the executive branch.

Subd. 4a. Admission and curriculum requirements. (a) The board may adopt rules for admission to and discharge from the full-time programs for talented pupils, rules regarding discharge from the dormitory, and rules regarding the operation of the center, including transportation of its pupils. Rules covering admission are governed by chapter 14. Rules covering discharge from the full-time program for talented pupils must be consistent with sections 121A.40 to 121A.56, the Pupil Fair Dismissal Act. Rules covering discharge from the dormitory are not governed by the Pupil Fair Dismissal Act as set forth in sections 121A.40 to 121A.56. Rules regarding discharge and the operation of the center are not governed by chapter 14.

(b) Proceedings concerning the full-time program for talented pupils, including admission, discharge, a pupil's program, and a pupil's progress, are governed by the rules adopted by the board and are not contested cases governed by chapter 14.
Subd. 5a. **Interdistrict voluntary integration magnet program.** Notwithstanding Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate an interdistrict integration magnet program according to section 129C.30. For fiscal year 2016 and later, the board must have an approved achievement and integration plan and budget under section 124D.861.

Subd. 6. **Public postsecondary institutions; providing space.** Public postsecondary institutions must provide space for programs offered by the Perpich Center for Arts Education at no cost or reasonable cost to the center to the extent that space is available at the public postsecondary institutions.

Subd. 7. **Purchasing instructional items.** Technical educational equipment may be procured for programs of the Perpich Center for Arts Education by the board either by brand designation or in accordance with standards and specifications the board may adopt, notwithstanding chapters 16B and 16C.

Subd. 8. **Exemption to September 1 school start restriction.** Notwithstanding section 120A.40, the Perpich Center for Arts Education may begin the school year any day prior to September 1.

**129C.105 BOARD MEETINGS BY TELEPHONE OR OTHER ELECTRONIC MEANS.**

(a) Notwithstanding section 13D.01 and if complying with section 13D.02 is impractical, the Board of the Perpich Center for Arts Education may conduct a meeting of its members by telephone or other electronic means when:

1. all members of the board participating in the meeting, wherever the members' physical locations, can hear one another and all discussion and testimony;
2. members of the public present at the regular meeting location of the board can hear all discussion and testimony and all votes of members of the board;
3. at least one member of the board is physically present at the regular meeting location; and
4. all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(b) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(c) If telephone or other electronic means is used to conduct a meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented marginal costs that the board incurs as a result of the additional connection.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and of the provisions of paragraph (c). The timing and method of providing notice is governed by section 13D.04.

**129C.15 RESOURCE, MAGNET, AND OUTREACH PROGRAMS.**

Subdivision 1. **Resource and outreach.** The center must offer resource and outreach programs and services statewide aimed at the enhancement of arts education opportunities for pupils in elementary and secondary school. The programs and services must include:

1. developing and demonstrating exemplary curriculum, instructional practices, and assessment;
2. disseminating information; and
3. providing programs for pupils and teachers that develop technical and creative skills in art forms that are underrepresented and in geographic regions that are underserved.

Subd. 2. **Magnet programs.** The center must identify at least one school district in each congressional district with interest and the potential to offer magnet arts programs using the curriculum developed by the Perpich Center for Arts Education.

Subd. 3. **Center responsibilities.** The center must:

1. provide information and technical services to arts teachers, professional arts organizations, school districts, and the Department of Education;
2. gather and conduct research in arts education;
3. design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and
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(4) serve as liaison for the Department of Education to national organizations for arts education.

129C.20 MATERIALS, TRAINING, AND ASSISTANCE.
The Perpich Center for Arts Education, in cooperation with the Minnesota Alliance for Arts in Education and the Minnesota State Arts Board must provide materials, training, and assistance to the arts education committees in the school districts. The center may contract with the Minnesota Alliance for Arts in Education for its involvement in providing services, including staff assistance, to the program.

129C.25 COMPREHENSIVE ARTS PLANNING PROGRAM.
The Perpich Center for Arts Education shall prescribe the form and manner of application by one or more districts to be designated as a site to participate in the comprehensive arts planning program. Up to 30 sites may be selected. The center shall designate sites in consultation with the Minnesota Alliance for Arts in Education and the Minnesota State Arts Board.

129C.26 COMPREHENSIVE ARTS PLANNING PROGRAM SITES.
Subdivision 1. Funding. Each site shall receive $1,250 each year for two years. If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used. Before receiving money for the second year, a long-range plan for arts education must be submitted to the Perpich Center for Arts Education.

Subd. 2. Criteria. The center, in consultation with the Comprehensive Arts Planning Program State Steering Committee, must establish criteria for site selection. Criteria shall include at least the following:
   (1) a willingness by the district or group of districts to designate a program chair for comprehensive arts planning with sufficient authority to implement the program;
   (2) a willingness by the district or group of districts to create a committee comprised of school district and community people whose function is to promote comprehensive arts education in the district;
   (3) commitment on the part of committee members to participate in training offered by the Department of Education;
   (4) a commitment of the committee to conduct a needs assessment of arts education;
   (5) commitment by the committee to evaluate its involvement in the program;
   (6) a willingness by the district to adopt a long-range plan for arts education in the district; and
   (7) location of the district or group of districts to assure representation of urban, suburban, and rural districts and distribution of sites throughout the state.

Subd. 3. Program accounts. A district receiving funds must maintain a separate account for the receipt and disbursement of all funds relating to the program. The funds must be spent only for the purpose of arts education programs, including teacher release time.

Subd. 4. Additional funding. A district receiving funds may receive funds for the program from private sources and from other governmental agencies, including any state or federal funds available for arts education.

129C.30 CROSSWINDS INTEGRATION MAGNET SCHOOL.
Subdivision 1. Definitions. (a) The following terms have the meanings given them for this chapter.
   (b) "Board" means the board of directors of the Perpich Center for Arts Education.
   (c) "Crosswinds school" means the Crosswinds school in Woodbury operated during the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration District.

Subd. 2. Board to operate the Crosswinds school. The board may operate the Crosswinds school with the powers and duties granted to it under this chapter. A student may apply to the Crosswinds school under section 124D.03 and the Crosswinds school may accept students under that section.

Subd. 3. General education funding. General education revenue must be paid to the Crosswinds school as though it were a district. The general education revenue for each adjusted 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 .0466,
calculated without declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time pupil unit equals $4,794.

Subd. 4. Special education funding. Special education aid must be paid to the Crosswinds school according to sections 125A.76 and 125A.79, as though it were a school district. The special education aid paid to the Crosswinds school shall be adjusted as follows:

1) if the Crosswinds school does not receive general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 125A.11; or

2) if the Crosswinds school receives general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 127A.47, subdivision 7, paragraphs (b) to (d).

Subd. 5. Pupil transportation. (a) For fiscal year 2015 only, a member district of Joint Powers District No. 6067, East Metro Integration District, must transport pupils enrolled at the Crosswinds school in the same manner as they were transported in fiscal year 2014.

(b) Pupil transportation expenses under this section are reimbursable under section 124D.87.

Subd. 6. Achievement and integration aid. For fiscal year 2016 and later, the Crosswinds school is eligible for achievement and integration aid under section 124D.862 as if it were a school district.

Subd. 7. Other aids, grants, revenue. (a) The Crosswinds school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C as though it were a district.

(b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue, except as otherwise provided in this section.

(c) Federal aid received by the state must be paid to the school if it qualifies for the aid as though it were a school district.

(d) In the year-end report to the commissioner of education, the Crosswinds school shall report the total amount of funds received from grants and other outside sources.

Subd. 8. Year-round programming. The Crosswinds school may operate as a flexible learning year program under sections 124D.12 to 124D.127.

Subd. 9. Data requirements. The commissioner of education shall require the Crosswinds school to follow the budget and accounting procedures required for school districts and the Crosswinds school shall report all data to the Department of Education in the form and manner required by the commissioner.
3500.3100 ISSUANCE OF GENERAL EDUCATIONAL DEVELOPMENT (GED) DIPLOMA.

Subp. 4. General Educational Development (GED) diploma. The commissioner of education may issue a General Educational Development (GED) diploma to a Minnesota resident 19 years of age or over who has not earned a high school diploma and who has not previously been issued a GED if:

A. the person makes written application through any of the approved GED testing centers located in Minnesota; and

B. the person obtains a minimum standard score of 410 on each of the five GED tests and an average standard score of at least 450 on all five tests or the minimum standard scores required by the GED testing service, whichever is greater.

GED tests must be administered only by official agencies established by the American Council on Education and approved by the commissioner of education.

The commissioner of education may waive the minimum age requirement if supportive evidence is provided by an employer or a recognized education or rehabilitation provider.

3600.0010 DEFINITIONS.

Subpart 1. Scope. The terms used in parts 3600.0010 to 3600.0085 have the meanings given them in this part.

3600.0010 DEFINITIONS.

Subp. 2. Board. "Board" means the board of the Perpich Center for Arts Education established in Minnesota Statutes, section 129C.10, subdivision 1.

3600.0010 DEFINITIONS.

Subp. 2a. Center. "Center" means the full-time high school program offered at the Perpich Center for Arts Education established in Minnesota Statutes, section 129C.10, subdivision 3, paragraph (f), clause (1).

3600.0010 DEFINITIONS.

Subp. 2b. Eligible applicant. "Eligible applicant" means a student who resides in Minnesota at the time of the arts review process and at the time of enrollment, as determined by the executive director or the executive director's designee, and meets the following criteria:

A. is living with one or more parents who maintain a domicile and resides in Minnesota at the time of the arts review process and enrollment; or

B. is living with a legal guardian who maintains a domicile and resides in Minnesota at the time of the student's arts review process and enrollment, and the student is living with the guardian primarily for the purpose of care and support and not for the primary purpose of receiving an education in Minnesota.

3600.0010 DEFINITIONS.

Subp. 3. Executive director. "Executive director" means the individual appointed by the board under Minnesota Statutes, section 129C.10, subdivision 4, paragraph (a), clause (1), to administer the Perpich Center for Arts Education.

3600.0010 DEFINITIONS.

Subp. 6. School record. "School record" means the information requested of the applicant by the center to help determine the appropriateness of the applicant's admission. The information requested must relate to the areas of review as described in part 3600.0030, subpart 6, and includes for example, a transcript of courses taken at the secondary level and their accompanying grades; secondary level attendance records; information about the high school content standards under chapter 3501 attempted or completed by the applicant; and a certified record from the applicant's previous secondary schools regarding grades and standards completed and recommendation. This recommendation must be completed by the applicant's school counselor or teacher of English, math, science, social studies, or world languages.

3600.0020 HOW THIS CHAPTER APPLIES.
3600.0030 APPLICATION PROCESS.

Subpart 1. Eligible applicants.

A. An eligible applicant for enrollment in the full-time high school program as an 11th grader must have:

   (1) successfully completed the requirements of the sending school for grade 9 and be enrolled in grade 10 at the time of application and successfully completed the requirements of the sending school for grade 10 by the end of the grade 10 academic year; and

   (2) completed the number of high school content standards as determined annually by the executive director or the executive director's designee. In order to make this determination, by September 1 of each academic year, the executive director or the executive director's designee must determine, for the following academic year, which standards and how many standards the eligible applicant must have completed. This determination will be based on:

      (a) which content areas will not be offered by the center during the applicant's enrollment; and

      (b) whether, given those standards being offered at the center, the student can complete the number of standards required so as to be able to graduate at the end of two years of enrollment.

B. An eligible applicant for enrollment in the center as a 12th grader must have:

   (1) successfully completed the requirements of the sending school for grades 9 and 10 and be enrolled in grade 11 at the time of application and successfully completed the requirements of the sending school for grade 11 by the end of the grade 11 academic year;

   (2) completed the number of high school content standards as determined annually by the executive director or the executive director's designee. In order to make this determination, by September 1 of each academic year, the executive director or the executive director's designee must determine, for the following academic year, which standards and how many standards the eligible applicant must have completed. This determination will be based on:

      (a) which content areas will not be offered by the center during the applicant's enrollment; and

      (b) whether, given those standards being offered at the center, the student can complete the number of standards required so as to be able to graduate at the end of one year of enrollment; and

      (3) a "C" average in high school coursework.

3600.0030 APPLICATION PROCESS.

Subp. 2. Application process. An eligible applicant must apply for admission to the center by completing application forms and supplying a school record. Students whose applications or school records are not complete by the deadline established annually by the executive director or the executive director's designee shall not be considered further for enrollment. The deadline established annually is stated on the yearly application form.

3600.0030 APPLICATION PROCESS.

Subp. 4. Number of applications. Subject to the limitations in parts 3600.0045 to 3600.0085, an individual may apply no more than two times for admission into the center if the individual is an eligible applicant under part 3600.0030, subpart 1, at the time of the arts review process.

3600.0030 APPLICATION PROCESS.

Subp. 6. Areas of review. An applicant shall be evaluated for admission into the center based on a review of the applicant in three areas:

A. the arts review process in part 3600.0045;
B. the academic interview process in part 3600.0055; and
C. the final evaluation process in part 3600.0065.
The processes under this subpart shall occur at the location and times determined by the executive director or the executive director's designee.

3600.0045 ARTS REVIEW PROCESS.

Subpart 1. Arts activities. An applicant may choose to be reviewed in up to two areas of specialty designated on the application, within the following categories: dance, literary arts, media arts, music, theater, and visual arts. Within each specialty area, the executive director or the executive director's designee shall evaluate the applicant's following arts activities:

A. The demonstration of an example or examples of the applicant's previous arts activities, products, and abilities. The executive director or the executive director's designee must evaluate an applicant's artistic abilities or potential with the following criteria:

(1) skills/proficiency, including the degree the applicant possesses potential for rapid acquisition of skills needed to effectively communicate the applicant's arts specialty area or areas;

(2) creativity/imagination, including the level at which the applicant demonstrates the ability to develop inventive, personal, concise, creative expressions within the applicant's arts specialty area or areas; and

(3) attitude, including the extent the applicant demonstrates commitment, energy, and motivation for activities within the applicant's arts specialty area or areas.

B. The spontaneous individual and group activities that highlight individual creativity and group interaction. These activities must be related to the applicant's specialty area or areas. The executive director or the executive director's designee must evaluate an applicant's artistic abilities or potential with the following criteria:

(1) skills/proficiency, including the degree the applicant possesses potential for rapid acquisition of skills needed to effectively communicate the applicant's arts specialty area or areas;

(2) creativity/imagination, including the level at which the applicant's responses demonstrate inventive, personal, concise, imaginative creative expressions; and

(3) attitude, including the extent the applicant demonstrates a willingness to participate with commitment, energy, and motivation.

C. The solution to an arts assignment. Two weeks before the arts review begins, the center shall send applicants an arts assignment specific to the applicants' specialty area or areas. An applicant must bring the solution to the assignment to the arts review and present it to the executive director or the executive director's designee who must evaluate the solution with the following criteria:

(1) the extent that the solution demonstrates skill and proficiency effectiveness including the ability to effectively communicate the arts specialty area or areas;

(2) the extent that the solution represents an imaginative, creative solution including the ability to develop inventive, personal, concise expression within the arts specialty area or areas; and

(3) attitude, including the extent the applicant demonstrates a willingness to participate with commitment, energy, and motivation.

D. Participation in an interview. The executive director or the executive director's designee shall interview an applicant using a list of questions prepared by the executive director or executive director's designee to assess the applicant's attitude, including motivation and commitment to the applicant's arts specialty area or areas.

Subp. 2. Rating of arts review. Applicants shall be given a rating of "strongly recommended," "recommended," or "not recommended" in each arts review within each specialty area or areas under subpart 1.

3600.0055 ACADEMIC INTERVIEW PROCESS.

After the arts review, academic applicants shall be interviewed at a location designated by the executive director or the executive director's designee. The purpose of the interview is to comprehensively assess the applicant, including for example the applicant's maturity, the applicant's ability to handle the transition to the center, the applicant's attitude toward obtaining a comprehensive education in addition to an arts education, an explanation of past academic issues, including, for example, absences or low academic standing, and what the applicant will contribute to the community of students and faculty at the center.

3600.0065 FINAL EVALUATION PROCESS.
A. After completing the arts review process under part 3600.0045 and the academic interview process under part 3600.0055, an administrative team designated by the executive director or the executive director's designee shall review the student's school record and the results of the arts review and the academic interview to determine whether to admit the applicant into the center. An applicant shall be assessed on the applicant's arts review, the strength of the applicant's overall school records, and the academic interview or interviews. An applicant shall be admitted if a majority of the team recommends admission.

B. An applicant shall be disqualified from further consideration prior to final evaluation if:
   (1) the school record as requested by the center is not complete; and
   (2) the academic interview process is not complete.

3600.0075 SECOND ROUND APPLICATIONS.

If openings at the center remain unfilled after the final evaluations are completed, the executive director or the executive director's designee may reopen the entire application process under parts 3600.0030 to 3600.0065. Students who were not recommended in the process in the immediately preceding application round are not eligible to reapply for enrollment in the upcoming academic year.

3600.0085 BASIS FOR DISQUALIFICATION FROM ENROLLMENT.

A. An approved applicant for enrollment in grade 11 shall not be enrolled unless the following information has been provided by a date annually determined by the executive director or the executive director's designee:
   (1) a certified record from each high school attended that demonstrates the applicant has successfully completed the requirements of grades 9 and 10; and
   (2) a certified record from each high school attended that demonstrates the number and type of completed high school content standards.

B. An approved applicant for enrollment in grade 12 shall not be enrolled unless the following information has been provided by a date annually determined by the executive director or the executive director's designee:
   (1) a certified record from each high school attended that demonstrates the applicant successfully completed the requirements of grades 9, 10, and 11; and
   (2) a certified record from each high school attended that demonstrates the number and type of completed high school content standards.