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Final Proposal

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Legislative Liaisons: Barry Sullivan or Amy Rudolph Phone: 582-8663 Revised 2-22-05

Title:	Department of Education Administrative and Policy Bill HF 896/SF 1148
Description:	<p>Amends various education statutes. Many proposed changes are technical in nature, while others have some policy impact. Below is a summary of this bill's provisions:</p> <p><u>Article 1 – General Education</u></p> <p>Sections 1, 9, and 10. Clarify Requirements for Allocating Basic Skills Revenue to Area Learning Centers and Contract Alternative Schools (#1703). Clarify the allocation of basic skills (especially LEP) revenue to ALCs and contract alternative schools in Minnesota Statutes, Sections 123A.05, 124D.68, 124D.69. The LEP portion of the basic skills revenue, as well as the compensatory portion, should follow the student.</p> <p>Section 2. Update Reference to Activity Fund Accounting Manual (#1706). Update a reference in Minnesota Statutes, Section 123B.49, subd. 4, to the “Manual for Activity Fund Accounting.”</p> <p>Sections 3, 13, and 15. Taconite Revenue (#1715). Amend Minnesota Statutes, Sections 123B.75, 126C.21, and 126C.48, to clarify the calculation of levy and general education aid reductions for districts receiving distributions from the taconite production tax. This proposal would clarify statutes consistent with current MDE practice in calculating levy limitations for taxes payable in 2005. The language proposed here was in both house and senate education bills in 2004.</p> <p>Section 4. Modify MDE Report on Expenditures by Building (#1700). Amend Minnesota Statutes 123B.76, subd. 3, to enable MDE reporting of miscellaneous general fund expenditures (e.g., operations & maintenance, capital expenditures, pupil transportation) on its web site to reflect actual district reporting of expenditures by building under UFARS, instead of a per pupil allocation, if the district has chosen to report these expenditures at the building level.</p> <p>Section 5-8 and 11. Correct Statutory Operating Debt Terminology and Cross</p>

References (#1716). Amend Minnesota Statutes, Sections 123B.79, subd. 6; 123B.81, subd. 1; 123B.82; 123B.83, subd. 2; and 126C.01, subd. 11, to provide consistent language among several statutes addressing statutory operating debt and correct a cross-reference.

Section 10 (second proposal in this section, last sentence). Clarify Funding for Contract Alternative Students in Care and Treatment (#1718) . Amend Minnesota Statutes, Section 124D.69, subd. 1, to clarify that Minneapolis can continue to contract with private alternative schools that have both care and treatment as well as educational components. This change would address recent concerns raised about such arrangements. It would specify that the general education aid for a contract alternative school that also has a care and treatment component is paid under the contract alternative law, not the care and treatment provisions.

Section 12. Project Based Average Daily Membership (#1713). Recognize and define average daily membership (ADM) for students enrolled in project-based schools. Minnesota Statutes, Section 126C.05, subd. 20, would be added to specify requirements that a public school must meet to receive general education revenue, including registering with the commissioner as a project-based program by May 30 of the preceding fiscal year; providing a specified minimum teacher contact; maintaining a record system; and reporting pupil membership consistent with a formula furnished by the commissioner. ADM for a pupil in a registered project-based program is defined.

Section 14. Levy Notification to Commissioner of Education (#1708). Amend Minnesota Statutes, Section 126C.48, subd. 2, to require a school district to notify the Commissioner of Education of the amount of their final levy certified by January 7 each year, instead of January 15. Another statute, 275.07, subd. 1, requires school districts to certify final levies to their county auditor on or before five working days after December 20, much earlier than the January 15 date in 126C.48, subd. 2. The change would enable MDE to have better information regarding certified levies for the February forecast.

Sections 16 and 19. Simplify Revenue Adjustment for Tax Increment Financing (TIF) (#1702). Amend Minnesota Statutes, Sections 127A.49, subd. 3, and 469.177, subdivision 9, to simplify the revenue adjustment made for tax increment financing (TIF) distributions to school districts. Since elimination of the general education levy, the school portion of the local tax rate has dropped below the original rates used for determining distributions. Therefore, there have been few distributions made in recent years (less than \$3,000 statewide last year). But since there is no minimum threshold for making this adjustment, such adjustments are made for amounts as little as \$5, requiring districts to make nonmaterial accounting entries.

Section 17. Census Data (#1707). Amend 275.14 to correct references relating to school district census data.

Section 18. Levy Limitations for School Districts (#1709). Amend 275.16 to correct statute references relating to authorization of levy limits.

Section 20. Repealer (#1710). Repeal Operating Debt Levy. Repeal Minnesota Statutes, Sections 123B.83, subd. 1, and 126C.42, subds. 1 and 4, which are obsolete. Currently, Mountain Iron Public Schools, ISD 712, is the only district with an operating debt levy authority. Their authority is based upon specific session laws. Therefore, the two statutes noted above can be repealed.

Article 2 – Education Excellence

Sections 1-6. Annual Report on Curriculum, Instruction, and Student Performance (#1722). Update and align Minnesota Statutes, Section 120B.11 (“School District Process”) with Minnesota Academic Standards and student achievement goals. Authorize school districts to use electronic means of disseminating reports to the public (a request from school districts). Include reporting of staff development goals as part of the annual school district improvement plan. Remove outdated references.

Sections 7-9. Dangerous Weapons Reporting (#1719). Amend Minnesota Statutes 121A.06 and 121A.53 to align with federal reporting requirements and current practices. This will reduce school reporting requirements from twice each year to once. Current law requires school districts to report dangerous weapon and dismissal incidents to MDE, which uses the information to prepare reports for the public and the federal government. In 2004, MDE upgraded its electronic reporting system. The proposed changes would:

- 1) Reduce school reporting requirements from twice to once per year;
- 2) Require schools to use the new electronic reporting system;
- 3) Eliminate the requirement that nonpublic schools must report; and
- 4) Require submission of certain demographic information, which is necessary to comply with federal reporting requirements.

Sections 10 and 12. Comprehensive, Scientifically Based Reading Instruction (#1767). Amend 122A.06, subd. 4, and 122A.18, subd. 2a, to modify current definitions by making them more descriptive, including all five reading areas, and increasing instructional strategies so that students in all content areas can read and comprehend text and apply higher level thinking skills.

Section 11. Science Teacher Licensing (# 1727). Allow licensed science teachers to expand their license in science by taking the relevant Praxis II Science Content Exam and achieving above the cut score set by the Board of Teaching. This would help science teachers, especially in rural areas, obtain appropriate licenses. Amends Minnesota Statutes, Section 122A.09, subd. 4.

Sections 13 and 25. Eliminate Superintendent Report on Passage Rates (#1742). Amend Minnesota Statutes, Section 123B.143, subd. 1, to eliminate an annual (due by January 10) school district report that is to include the following information:

- 1) Identify expenditures needed to attain an 80% student passage rate on the Basic Standards Tests (BST);

- 2) The highest passage rate the districts expects it can attain on the BST by grade 12;
- 3) The amount of expenditures needed to attain the targeted passage rate; and
- 4) How much each district is cross-subsidizing programs with special education, basic skills, and general education revenue (replace with new report – see below).

Instead of the yearly cross subsidy report, each district would annually compute special education and basic skills subsidies and make the cross subsidy information available to the public by posting it to MDE's website. It is recommended that this requirement would be put in a new section of law, 127A.52

removed

Sections 14-15 and 19. Charter School Students and Extracurricular Activities (#1730). Amend Minnesota Statutes, Sections 123B.36, subd. 1, 123B.49, subd. 4, and 124D.10, subd. 8, to require that school boards allow resident students attending charter schools to be fully eligible to participate in extracurricular activities on the same basis as public school students enrolled in the district. Certain limitations would be established. Each school district could charge a charter school a proportional share of the direct and indirect costs of the extracurricular activities not covered by student fees.

Section 16. Clarifying Impact of Online Learning Option Act (#1739). Amend Minnesota Statutes, Section 124D.095, subd. 8, to clarify that "hybrid" online learning programs, which include both an online component and at least 40% of instructional time in school facilities, should generate general education revenue per pupil unit rather than online learning ADM under the financing provisions in Online Learning Options.

removed

Section 17. Charter School Sponsors (#1729). Amend 124D.10, subd. 3. Authorize Commissioner to approve up to five charitable organizations that have as their primary activity the sponsoring of charter schools. Contents of proposals from these charitable organizations are specified. Annual reports from sponsors to the state would be required. Authorization to sponsor a charter school would be terminated based on demonstration of persistent financial mismanagement or repeated violations of law.

Section 18. Extend MDE Review Period for Charter School Applications (#1731). Amend Minnesota Statutes, Section 124D.10, subd. 4(b), to extend the deadline from 60 to 90 days by when the Commissioner of Education must approve or disapprove a charter school application.

Section 20. Correct General Education Revenue Definition for Charter Schools (#1733). Update the definition of charter school general education revenue in Minnesota Statutes, Section 124D.11, subdivision 1, to reflect the changes in general education revenue categories made during the 2003 legislative session in Minnesota Statutes, Section 126C.10, Subdivision 1. The 2003 K-12 education bill inadvertently failed to update the list of general education revenue categories in Minnesota Statutes, Section 124D.11 to reflect the addition of extended time revenue and the reestablishment of transition revenue.

Section 21. Charter Schools Not Eligible for Levy Replacement Aids (#1734).

Amend Minnesota Statutes, Section 124D.11, Subd. 6, to clarify that charter schools are not eligible for aids, grants, or other revenue if the revenue is a replacement of levy revenue. Current law prohibits a charter school from receiving aid, a grant, or revenue if a levy is required to obtain the money.

Sections 22-24. Update Indian Education Act (#1737). Updates and removes obsolete language in the Indian Education Act, Minnesota Statutes, Sections 124D.74, subd. 1; 124D.81, subd. 1; and 124D.84, subd. 1.

Article 3 – Special Programs

Section 1. Special Education for Nonpublic School Students (#1745). This proposal consists of two parts, one in this bill (an amendment to 125A.24) and another in the education budget bill (an amendment to 123B.92). Together, these proposed changes would help to ensure that special education services for students in nonpublic schools are provided according to sound education practices and efficient resource use. Changes would reduce what appears to be a disincentive to provide special education services at nonpublic school sites and provide nonpublic school parents some input on existing local special education advisory councils. School districts would retain their authority to make final decisions regarding location of services, and they would have added flexibility in use of special education funds for transportation. The amendment to 125A.24 would add at least one parent of a nonpublic school student with a disability or a nonpublic school employee to each district special education advisory council.

Section 2. State Interagency Coordinating Council (#1749). Amend Minnesota Statutes, Section 125A.28, to eliminate the September 1 date by when the Council must annually submit recommended policies for a comprehensive and coordinated system. Instead of September 1, the recommendations would be submitted on the same date that Minnesota Part C Annual Performance Report is submitted to the federal government. This will reduce duplication and provide useful information to the Governor and others. MDE will no longer have to prepare two reports for two separate dates. Also, this council would be extended to June 30, 2009.

Section 3. Advisory Committee (#1755). Reinstate an advisory committee of five members to advise the Minnesota Library for the Blind and Physically Handicapped on long-range plans and library services.

Article 4 – Facilities and Technology

Sections 1, 4, and 5. Review and Comment Waiver for Alternative Facilities Projects (#1714). Authorize the Commissioner to exempt projects approved under Minnesota Statutes, Section 123B.59, the Alternative Facilities Bonding and Levy Program, from Review and Comment requirements in Minnesota Statutes, Section 123B.71. Addition of Alternative Facilities to the list of programs for which the Commissioner could waive review and comment requirements would provide flexibility

for districts and MDE and streamline the approval process for non-controversial or routine projects.

Section 2. Public Notice of Alternative Facilities Projects (#1751). Amend Minnesota Statutes, Section 123B.59, subd. 3a, (Alternative Facilities Bonding and Levy Program) to clarify and simplify public notice requirements.

Section 3. Clarify Allowable Uses of Capital Project Referendum Revenue (#1752). Amend Minnesota Statutes, Section 123B.63, subd. 2, to clarify that Capital Projects Referendum Revenue may be used for the same purposes as Operating Capital Revenue, including:

- 1) Purchase of computers, telecommunications equipment, and other technology;
- 2) Personnel costs directly related to acquisition, operation, and maintenance of technology; and
- 3) Building construction and renovation.

Under current law, it is not clear that Capital Project Referendum Revenue can be used for the first two purposes noted above.

Article 5 – Early Childhood and Family Support

Sections 1-2. Use of Revenues for Early Childhood Family Education (ECFE) and School Readiness (#1757). Revise and clarify the sections of ECFE and School Readiness statutes that limit expenditures for administration to 5% of ECFE revenue and 5% of School Readiness aid so that both programs' administration ceilings would be calculated on a consistently defined program revenue base. Section 1 amends 124D.135 subdivision 5. Section 2 amends 124D.16 subdivision 3.

Sections 3-5. Adding Pre-Kindergarten to Compensatory Aid Eligible Programs (#1758). Amend Minnesota Statutes, Section 126C.15, to allow districts to use compensatory revenue for programs that prepare pre-kindergarten children ages 3 ½ to five for kindergarten entry. Proposal would also make a technical correction.

Article 6 – Prevention

Sections 1-5. Lead Abatement Program Transferred from Minnesota Department of Education to Minnesota Department of Health (#1761). Transfers the Lead Abatement Program, authorized in Minnesota Statutes, Section 119A.46, from MDE to the Minnesota Department of Health (MDH). MDH currently has statutory authority and programs related to lead poisoning prevention; therefore, Lead Abatement would be much more compatible with MDH's mission than it is with that of MDE.

Senators Kelley and Olson introduced--

S.F. No. 1148: Referred to the Committee on Education.

A bill for an act

relating to education; providing for prekindergarten through grade 12 education and early childhood and families, including general education, education excellence, special education, facilities and technology, early childhood family support, and prevention; providing for rulemaking; amending Minnesota Statutes 2004, sections 119A.46, subdivisions 1, 2, 3, 8; 120B.11, subdivisions 1, 2, 3, 4, 5, 8; 121A.06, subdivisions 2, 3; 121A.53; 122A.06, subdivision 4; 122A.09, subdivision 4; 122A.18, subdivision 2a; 123A.05, subdivision 2; 123B.143, subdivision 1; 123B.36, subdivision 1; 123B.49, subdivision 4; 123B.59, subdivisions 3, 3a; 123B.63, subdivision 2; 123B.71, subdivisions 8, 12; 123B.75, by adding a subdivision; 123B.76, subdivision 3; 123B.79, subdivision 6; 123B.81, subdivision 1; 123B.82; 123B.83, subdivision 2; 124D.095, subdivision 8; 124D.10, subdivisions 3, 4, 8; 124D.11, subdivisions 1, 6; 124D.135, subdivision 5; 124D.16, subdivision 3; 124D.68, subdivision 9; 124D.69, subdivision 1; 124D.74, subdivision 1; 124D.81, subdivision 1; 124D.84, subdivision 1; 125A.24; 125A.28; 126C.01, subdivision 11; 126C.05, by adding a subdivision; 126C.15, subdivisions 1, 2, by adding a subdivision; 126C.21, subdivision 4; 126C.48, subdivisions 2, 8; 127A.49, subdivision 3; 134.31, by adding a subdivision; 275.14; 275.16; 469.177, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 127A; repealing Minnesota Statutes 2004, sections 123B.83, subdivision 1; 126C.42, subdivisions 1, 4.

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

ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 2004, section 123A.05, subdivision 2, is amended to read:

Subd. 2. [RESERVE REVENUE.] Each district that is a member of an area learning center must reserve revenue in an amount

1 equal to the sum of (1) at least 90 percent of the district
2 average general education revenue per pupil unit minus an amount
3 equal to the product of the formula allowance according to
4 section 126C.10, subdivision 2, times .0485, calculated without
5 basic skills revenue, and transportation sparsity revenue, and
6 ~~the-transportation-portion-of-the-transition-revenue-adjustment,~~
7 times the number of pupil units attending an area learning
8 center program under this section, plus (2) the amount of basic
9 skills revenue generated by pupils attending the area learning
10 center. The amount of reserved revenue under this subdivision
11 may only be spent on program costs associated with the area
12 learning center. ~~Compensatory-revenue-must-be-allocated~~
13 ~~according-to-section-126C.157-subdivision-2.~~

14 Sec. 2. Minnesota Statutes 2004, section 123B.49,
15 subdivision 4, is amended to read:

16 Subd. 4. [BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES.]

17 (a) The board may take charge of and control all extracurricular
18 activities of the teachers and children of the public schools in
19 the district. Extracurricular activities means all direct and
20 personal services for pupils for their enjoyment that are
21 managed and operated under the guidance of an adult or staff
22 member. The board shall allow all resident pupils receiving
23 instruction in a home school as defined in section 123B.36,
24 subdivision 1, paragraph (a), to be eligible to fully
25 participate in extracurricular activities on the same basis as
26 public school students.

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

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

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

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

1 (c) If the board does not take charge of and control
2 extracurricular activities, these activities shall be
3 self-sustaining with all expenses, except direct salary costs
4 and indirect costs of the use of school facilities, met by dues,
5 admissions, or other student fund-raising events. The general
6 fund must reflect only those salaries directly related to and
7 readily identified with the activity and paid by public funds.
8 Other revenues and expenditures for extra curricular activities
9 must be recorded according to the ~~"Manual-of-Instruction-for~~
10 ~~Uniform-Student-Activities-Accounting-for-Minnesota-School~~
11 ~~Districts-and-Area-Vocational-Technical-Colleges-"~~ Manual for
12 Activity Fund Accounting. Extracurricular activities not under
13 board control must have an annual financial audit and must also
14 be audited annually for compliance with this section.

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

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

25 Sec. 3. Minnesota Statutes 2004, section 123B.75, is
26 amended by adding a subdivision to read:

27 Subd. 4a. [TACONITE REVENUE.] Taconite revenue received in
28 a calendar year by a school district under section 298.28,
29 subdivisions 4, paragraphs (b) and (c), and 11, paragraph (d),
30 is fully recognized in the fiscal year in which the February
31 payment falls.

32 Sec. 4. Minnesota Statutes 2004, section 123B.76,
33 subdivision 3, is amended to read:

34 Subd. 3. [EXPENDITURES BY BUILDING.] (a) For the purposes
35 of this section, "building" means education site as defined in
36 section 123B.04, subdivision 1.

1 (b) Each district shall maintain separate accounts to
2 identify general fund expenditures, ~~excluding capital~~
3 ~~expenditures and pupil transportation~~, for each building. All
4 expenditures for regular instruction, secondary vocational
5 instruction, and school administration must be reported to the
6 department separately for each building. All expenditures for
7 special education instruction, instructional support services,
8 and pupil support services provided within a specific building
9 must be reported to the department separately for each
10 building. Salary expenditures reported by building must reflect
11 actual salaries for staff at the building and must not be based
12 on districtwide averages. All other general fund expenditures
13 may be reported by building or on a districtwide basis.

14 (c) The department must annually report information showing
15 school district general fund expenditures per pupil by program
16 category for each building and estimated school district general
17 fund revenue generated by pupils attending each building on its
18 Web site. For purposes of this report:

19 (1) expenditures not ~~required to be~~ reported by building
20 shall be allocated among buildings on a uniform per pupil basis;

21 (2) basic skills revenue shall be allocated according to
22 section 126C.10, subdivision 4;

23 (3) secondary sparsity revenue and elementary sparsity
24 revenue shall be allocated according to section 126C.10,
25 subdivisions 7 and 8;

26 (4) other general education revenue shall be allocated on a
27 uniform per pupil unit basis;

28 (5) first grade preparedness aid shall be allocated
29 according to section 124D.081;

30 (6) state and federal special education aid and Title I aid
31 shall be allocated in proportion to district expenditures for
32 these programs by building; and

33 (7) other general fund revenues shall be allocated on a
34 uniform per pupil basis, except that the department may allocate
35 other revenues attributable to specific buildings directly to
36 those buildings.

1 Sec. 5. Minnesota Statutes 2004, section 123B.79,
2 subdivision 6, is amended to read:

3 Subd. 6. [ACCOUNT TRANSFER FOR STATUTORY OPERATING DEBT.]

4 On June 30 of each year, a district may make a permanent
5 transfer from the general fund account entitled "undesignated
6 net unreserved general fund balance since statutory operating
7 debt" to the account entitled "reserved fund balance reserve
8 account for purposes of statutory operating debt reduction."
9 The amount of the transfer is limited to the lesser of (a) the
10 net undesignated-operating unreserved general fund balance, or
11 (b) the sum of the remaining statutory operating debt levies
12 authorized for all future years according to section 126C.42,
13 subdivision 1. If the net undesignated-operating unreserved
14 general fund balance is less than zero, the district may not
15 make a transfer.

16 Sec. 6. Minnesota Statutes 2004, section 123B.81,
17 subdivision 1, is amended to read:

18 Subdivision 1. [OPERATING DEBT.] The "operating debt" of a
19 school district means the net negative undesignated unreserved
20 general fund balance ~~in all school district funds, other than~~
21 ~~capital expenditure, building construction, debt service, and~~
22 ~~trust and agency,~~ calculated as of June 30 of each year in
23 accordance with the uniform financial accounting and reporting
24 standards for Minnesota school districts.

25 Sec. 7. Minnesota Statutes 2004, section 123B.82, is
26 amended to read:

27 123B.82 [REORGANIZATION OPERATING DEBT.]

28 The "reorganization operating debt" of a school district
29 means the net negative undesignated unreserved fund balance
30 balances in all school district funds, other than building
31 construction, debt redemption, and trust and agency, calculated
32 in accordance with the uniform financial accounting and
33 reporting standards for Minnesota school districts as of:

34 (1) June 30 of the fiscal year before the first year that a
35 district receives revenue according to section 123A.39,
36 subdivision 3; or

1 (2) June 30 of the fiscal year before the effective date of
2 reorganization according to section 123A.46 or 123A.48.

3 Sec. 8. Minnesota Statutes 2004, section 123B.83,
4 subdivision 2, is amended to read:

5 Subd. 2. [~~UNDESIGNATED~~ UNRESERVED FUND BALANCES.]
6 ~~Beginning-in-fiscal-year-1978-and-each-year-thereafter, any A~~
7 ~~school~~ district ~~not-subject-to-the-provisions-of-subdivision-1~~
8 must limit its expenditures so that its undesigned net
9 unreserved general fund ~~balances-do~~ balance does not constitute
10 statutory operating debt as defined in section 126C.42.

11 Sec. 9. Minnesota Statutes 2004, section 124D.68,
12 subdivision 9, is amended to read:

13 Subd. 9. [ENROLLMENT VERIFICATION.] (a) For a pupil
14 attending an eligible program full time under subdivision 3,
15 paragraph (d), the department must pay 90 percent of the
16 district's average general education revenue less basic skills
17 revenue to the eligible program and ten percent of the
18 district's average general education revenue less basic skills
19 revenue to the contracting district within 30 days after the
20 eligible program verifies enrollment using the form provided by
21 the department. For a pupil attending an eligible program part
22 time, revenue, excluding compensatory revenue, shall be reduced
23 proportionately, according to the amount of time the pupil
24 attends the program, and the payments to the eligible program
25 and the contracting district shall be reduced accordingly. A
26 pupil for whom payment is made according to this section may not
27 be counted by any district for any purpose other than
28 computation of general education revenue. If payment is made
29 for a pupil under this subdivision, a district shall not
30 reimburse a program under section 124D.69 for the same
31 pupil. The basic skills revenue shall-be-paid generated by
32 pupils attending the eligible program according to section
33 126C.10, subdivision 4, shall be paid to the eligible program.

34 (b) The department must pay up to 100 percent of the
35 revenue to the eligible program if there is an agreement to that
36 effect between the school district and the eligible program.

1 (c) Notwithstanding paragraphs (a) and (b), for an eligible
2 program that provides chemical treatment services to students,
3 the department must pay 100 percent of the revenue to the
4 eligible program.

5 Sec. 10. Minnesota Statutes 2004, section 124D.69,
6 subdivision 1, is amended to read:

7 Subdivision 1. [AID.] If a pupil enrolls in an alternative
8 program, eligible under section 124D.68, subdivision 3,
9 paragraph (d), or subdivision 4, operated by a private
10 organization that has contracted with a school district to
11 provide educational services for eligible pupils under section
12 124D.68, subdivision 2, the district contracting with the
13 private organization must reimburse the provider an amount equal
14 to the sum of (1) at least 95 percent of the district's average
15 general education less basic skills revenue per pupil unit times
16 the number of pupil units for pupils attending the program, and
17 (2) the amount of basic skills revenue shall-be-paid generated
18 by pupils attending the program according to section 126C.10,
19 ~~subdivision 4. Compensatory-revenue-must-be-allocated-according~~
20 ~~to-section-126C-157-subdivision-2.~~ For a pupil attending the
21 program part time, the revenue paid to the program, excluding
22 compensatory revenue, must be reduced proportionately, according
23 to the amount of time the pupil attends the program, and revenue
24 paid to the district shall be reduced accordingly. Pupils for
25 whom a district provides reimbursement may not be counted by the
26 district for any purpose other than computation of general
27 education revenue. If payment is made to a district or program
28 for a pupil under this section, the department must not make a
29 payment for the same pupil under section 124D.68, subdivision 9.
30 Notwithstanding sections 125A.15, 125A.51, and 125A.515, general
31 education revenue for a student who receives educational
32 services under this section shall be paid according to this
33 section.

34 Sec. 11. Minnesota Statutes 2004, section 126C.01,
35 subdivision 11, is amended to read:

36 Subd. 11. [~~NET UNAPPROPRIATED-OPERATING~~ UNRESERVED GENERAL

1 FUND BALANCE.] "Net unappropriated-operating unreserved general
 2 fund balance" means the sum of the unreserved general fund
 3 balances-in-the-general,-food-service,-and-community-service
 4 funds-minus-the-balances-reserved-for-statutory-operating-debt
 5 reduction,-bus-purchase,-severance-pay,-taconite,-unemployment
 6 benefits,-maintenance-levy-reduction,-operating-capital,-
 7 disabled-access,-health-and-safety,- balance and encumbrances,
 8 computed as of June 30 each year.

9 Sec. 12. Minnesota Statutes 2004, section 126C.05, is
 10 amended by adding a subdivision to read:

11 Subd. 20. [PROJECT-BASED AVERAGE DAILY MEMBERSHIP.] (a) To
 12 receive general education revenue for a pupil enrolled in a
 13 public school with a project-based program, a school must meet
 14 the requirements in this paragraph. The school must:

15 (1) register with the commissioner as a project-based
 16 program by May 30 of the preceding fiscal year;

17 (2) provide a minimum teacher contact of no less than one
 18 hour per week per project-based credit for each pupil;

19 (3) maintain a record system that shows when each credit or
 20 portion thereof was reported for membership for each pupil; and

21 (4) report pupil membership consistent with paragraph (b).

22 (b) The commissioner must develop a formula for reporting
 23 pupil membership to compute average daily membership for each
 24 registered project-based school. Average daily membership for a
 25 pupil in a registered project-based program is the lesser of:

26 (1) 1.0; or

27 (2) the ratio of (i) the number of membership hours
 28 generated by project-based credits completed during the school
 29 year plus membership hours generated by credits completed in a
 30 seat-based setting to (ii) the annual required instructional
 31 hours at that grade level. Membership hours for a partially
 32 completed project-based credit must be prorated.

33 Sec. 13. Minnesota Statutes 2004, section 126C.21,
 34 subdivision 4, is amended to read:

35 Subd. 4. [TACONITE DEDUCTIONS.] ~~(1)~~-Notwithstanding-any
 36 provisions-of-any-other-law-to-the-contrary,-the-adjusted-net

1 ~~tax-capacity-used-in-calculating-general-education-aid-may~~
 2 ~~include-only-that-property-that-is-currently-taxable-in-the~~
 3 ~~district.~~

4 (2) For districts that ~~received-payments~~ have revenue under
 5 sections 298.018; 298.225; 229.24 to 298.28, excluding 298.26
 6 and 298.28, subdivision 4, paragraph (d); 298.34 to 298.39;
 7 298.391 to 298.396; and 298.405; and 477A.15, any law imposing a
 8 tax upon severed mineral values; ~~or-recognized-revenue-under~~
 9 ~~section-477A.15;~~ the general education aid must be reduced in
 10 the final adjustment payment by (1) ~~the difference-between-the~~
 11 ~~dollar~~ amount of the ~~payments-received~~ revenue recognized
 12 pursuant to those sections, ~~or-revenue-recognized-under-section~~
 13 ~~477A.15-in~~ for the fiscal year to which the final adjustment is
 14 attributable and, less (2) the amount that was calculated,
 15 pursuant to section 126C.48, subdivision 8, as a reduction of
 16 the levy attributable to the fiscal year to which the final
 17 adjustment is attributable. If the final adjustment of a
 18 district's general education aid for a fiscal year is a negative
 19 amount because of this ~~clause~~ subdivision, the next fiscal
 20 year's general education aid to that district must be reduced by
 21 this negative amount in the following manner: there must be
 22 withheld from each scheduled general education aid payment due
 23 the district in such fiscal year, 15 percent of the total
 24 negative amount, until the total negative amount has been
 25 withheld. The amount reduced from general education aid
 26 pursuant to this ~~clause~~ subdivision must be ~~recognized-as~~ reduce
 27 revenue in the fiscal year to which the final adjustment payment
 28 is attributable.

29 Sec. 14. Minnesota Statutes 2004, section 126C.48,
 30 subdivision 2, is amended to read:

31 Subd. 2. [NOTICE TO COMMISSIONER; FORMS.] By October 7 of
 32 each year each district must notify the commissioner of the
 33 proposed levies in compliance with the levy limitations of this
 34 chapter and chapters 120B, 122A, 123A, 123B, 124D, 125A, 127A,
 35 and 136D. By January ~~±5~~ 7 of each year each district must
 36 notify the commissioner of the final levies certified. The

1 commissioner shall prescribe the form of these notifications and
 2 may request any additional information necessary to compute
 3 certified levy amounts.

4 Sec. 15. Minnesota Statutes 2004, section 126C.48,
 5 subdivision 8, is amended to read:

6 Subd. 8. [TACONITE PAYMENT AND OTHER REDUCTIONS.] (1)
 7 Reductions in levies pursuant to subdivision 1 must be made
 8 prior to the reductions in clause (2).

9 (2) Notwithstanding any other law to the contrary,
 10 districts ~~which received payments~~ that have revenue pursuant to
 11 sections 298.018; 298.225; 298.24 to 298.28, except an amount
 12 distributed under ~~section~~ sections 298.26; 298.28, subdivision
 13 4, ~~paragraph paragraphs~~ (c), clause (ii), and (d); 298.34 to
 14 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law
 15 imposing a tax upon severed mineral values, ~~or recognized~~
 16 ~~revenue under section 477A.15 must not include a portion of~~
 17 ~~these aids in their permissible levies pursuant to those~~
 18 ~~sections, but instead~~ must reduce the permissible levies
 19 authorized by this chapter and chapters 120B, 122A, 123A, 123B,
 20 124A, 124D, 125A, and 127A by ~~the greater of the following:~~ 95
 21 percent of the previous year's revenue specified under this
 22 clause.

23 ~~(a) an amount equal to 50 percent of the total dollar~~
 24 ~~amount of the payments received pursuant to those sections or~~
 25 ~~revenue recognized under section 477A.15 in the previous fiscal~~
 26 ~~year, or~~

27 ~~(b) an amount equal to the total dollar amount of the~~
 28 ~~payments received pursuant to those sections or revenue~~
 29 ~~recognized under section 477A.15 in the previous fiscal year~~
 30 ~~less the product of the same dollar amount of payments or~~
 31 ~~revenue times five percent.~~

32 ~~For levy year 2002 only, 77 percent of the amounts~~
 33 ~~distributed under section 298.225 and 298.28, and 100 percent of~~
 34 ~~the amounts distributed under sections 298.018, 298.34 to~~
 35 ~~298.39, 298.391 to 298.396, 298.405, and any law imposing a tax~~
 36 ~~upon severed mineral values, or recognized revenue under section~~

~~1 477A.15, shall be used for purposes of the calculations under
2 this paragraph. For levy year 2003 only, the levy reductions
3 under this subdivision must be calculated as if section 298.28,
4 subdivision 4, paragraph (f), did not apply for the 2003
5 distribution.~~

6 (3) The amount of any voter approved referendum, facilities
7 down payment, and debt levies shall not be reduced by more than
8 50 percent under this subdivision. In administering this
9 paragraph, the commissioner shall first reduce the nonvoter
10 approved levies of a district; then, if any payments, severed
11 mineral value tax revenue or recognized revenue under paragraph
12 (2) remains, the commissioner shall reduce any voter approved
13 referendum levies authorized under section 126C.17; then, if any
14 payments, severed mineral value tax revenue or recognized
15 revenue under paragraph (2) remains, the commissioner shall
16 reduce any voter approved facilities down payment levies
17 authorized under section 123B.63 and then, if any payments,
18 severed mineral value tax revenue or recognized revenue under
19 paragraph (2) remains, the commissioner shall reduce any voter
20 approved debt levies.

21 (4) Before computing the reduction pursuant to this
22 subdivision of the health and safety levy authorized by sections
23 123B.57 and 126C.40, subdivision 5, the commissioner shall
24 ascertain from each affected school district the amount it
25 proposes to levy under each section or subdivision. The
26 reduction shall be computed on the basis of the amount so
27 ascertained.

28 (5) To the extent the levy reduction calculated under
29 paragraph (2) exceeds the limitation in paragraph (3), an amount
30 equal to the excess must be distributed from the school
31 district's distribution under sections 298.225, 298.28, and
32 477A.15 in the following year to the cities and townships within
33 the school district in the proportion that their taxable net tax
34 capacity within the school district bears to the taxable net tax
35 capacity of the school district for property taxes payable in
36 the year prior to distribution. No city or township shall

1 receive a distribution greater than its levy for taxes payable
2 in the year prior to distribution. The commissioner of revenue
3 shall certify the distributions of cities and towns under this
4 paragraph to the county auditor by September 30 of the year
5 preceding distribution. The county auditor shall reduce the
6 proposed and final levies of cities and towns receiving
7 distributions by the amount of their distribution.
8 Distributions to the cities and towns shall be made at the times
9 provided under section 298.27.

10 Sec. 16. Minnesota Statutes 2004, section 127A.49,
11 subdivision 3, is amended to read:

12 Subd. 3. [EXCESS TAX INCREMENT.] (a) If a return of excess
13 tax increment is made to a district pursuant to ~~section~~ sections
14 469.176, subdivision 2, and 469.177, subdivision 9, or upon
15 decertification of a tax increment district, the school
16 district's aid and levy limitations must be adjusted for the
17 fiscal year in which the excess tax increment is paid under the
18 provisions of this subdivision.

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

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

23 (2) the ratio of:

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

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

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

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

36 (D) section 126C.17, subdivision 6, if the district

1 received referendum equalization aid according to that section
2 for the second preceding year; to

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

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

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

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

10 If the aid and levy reductions required by this subdivision
11 cannot be made to the aid for the fiscal year specified or to
12 the levy specified, the reductions must be made from aid for
13 subsequent fiscal years, and from subsequent levies. The school
14 district must use the payment of excess tax increment to replace
15 the aid and levy revenue reduced under this subdivision.

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

19 Sec. 17. Minnesota Statutes 2004, section 275.14, is
20 amended to read:

21 275.14 [CENSUS.]

22 ~~For the purposes of sections 275.124 to 275.167, the~~
23 ~~population of a city shall be that established by the last~~
24 ~~federal census, by a special census taken by the United States~~
25 ~~Bureau of the Census, by an estimate made by the Metropolitan~~
26 ~~Council, or by the state demographer made according to section~~
27 ~~4A.02, whichever has the latest stated date of count or~~
28 ~~estimate, before July 2 of the current levy year. The~~
29 population of a school district must be as certified by the
30 Department of Education from the most recent federal census. In
31 any year in which no federal census is taken pursuant to law in
32 any school district affected by sections ~~275.124 to~~
33 ~~275.16~~ 124D.20 and 124D.531 a population estimate may be made
34 and submitted to the state demographer for approval as
35 hereinafter provided. The school board of a school district, in
36 case it desires a population estimate, shall pass a resolution

1 by July 1 containing a current estimate of the population of the
2 school district and shall submit the resolution to the state
3 demographer. The resolution shall describe the criteria on
4 which the estimate is based and shall be in a form and
5 accompanied by the data prescribed by the state demographer.
6 The state demographer shall determine whether or not the
7 criteria and process described in the resolution provide a
8 reasonable basis for the population estimate and shall inform
9 the school district of that determination within 30 days of
10 receipt of the resolution. If the state demographer determines
11 that the criteria and process described in the resolution do not
12 provide a reasonable basis for the population estimate, the
13 resolution shall be of no effect. If the state demographer
14 determines that the criteria and process do provide a reasonable
15 basis for the population estimate, the estimate shall be treated
16 as the population of the school district for the purposes of
17 sections ~~275.124 to 275.16~~ 124D.20 and 124D.531 until the
18 population of the school district has been established by the
19 next federal census or until a more current population estimate
20 is prepared and approved as provided herein, whichever occurs
21 first. The state demographer shall establish guidelines for
22 acceptable population estimation criteria and processes. The
23 state demographer shall issue advisory opinions upon request in
24 writing to cities or school districts as to proposed criteria
25 and processes prior to their implementation in an estimation.
26 The advisory opinion shall be final and binding upon the
27 demographer unless the demographer can show cause why it should
28 not be final and binding.

29 In the event that a census tract employed in taking a
30 federal or local census overlaps two or more school districts,
31 the county auditor shall, on the basis of the best information
32 available, allocate the population of said census tract to the
33 school districts involved.

34 ~~The term "council," as used in sections 275.124 to 275.167~~
35 ~~means any board or body, whether composed of one or more~~
36 ~~branches, authorized to make ordinances for the government of a~~

1 ~~city-within-this-state-~~

2 Sec. 18. Minnesota Statutes 2004, section 275.16, is
3 amended to read:

4 275.16 [COUNTY AUDITOR TO FIX AMOUNT OF LEVY.]

5 If any such municipality shall return to the county auditor
6 a levy greater than permitted by chapters 123A, 123B, 124D,
7 126C, and 136C, ~~and-136D~~, sections 275.124 to 275.16, and 275.70
8 to 275.74, such county auditor shall extend only such amount of
9 taxes as the limitations herein prescribed will permit;
10 provided, if such levy shall include any levy for the payment of
11 bonded indebtedness or judgments, such levies for bonded
12 indebtedness or judgments shall be extended in full, and the
13 remainder of the levies shall be reduced so that the total
14 thereof, including levies for bonds and judgments, shall not
15 exceed such amount as the limitations herein prescribed will
16 permit.

17 Sec. 19. Minnesota Statutes 2004, section 469.177,
18 subdivision 9, is amended to read:

19 Subd. 9. [DISTRIBUTIONS OF EXCESS TAXES ON CAPTURED NET
20 TAX CAPACITY.] (a) If the amount of tax paid on captured net tax
21 capacity exceeds the amount of tax increment, the county auditor
22 shall distribute the excess to the municipality, county, and
23 school district as follows: each governmental unit's share of
24 the excess equals

25 (1) the total amount of the excess for the tax increment
26 financing district, multiplied by

27 (2) a fraction, the numerator of which is the current local
28 tax rate of the governmental unit less the governmental unit's
29 local tax rate for the year the original local tax rate for the
30 district was certified (in no case may this amount be less than
31 zero) and the denominator of which is the sum of the numerators
32 for the municipality, county, and school district.

33 If the entire increase in the local tax rate is attributable to
34 a taxing district, other than the municipality, county, or
35 school district, then the excess must be distributed to the
36 municipality, county, and school district in proportion to their

1 respective local tax rates.

2 (b) The amounts distributed shall be deducted in computing
3 the levy limits of the taxing district for the succeeding
4 taxable year. ~~In-the-case-of-a-school-district, only the~~
5 ~~proportion-of-the-excess-taxes-attributable-to-unequalized~~
6 ~~levies-that-are-subject-to-a-fixed-dollar-amount-levy-limit~~
7 ~~shall-be-deducted-from-the-levy-limit.~~

8 (c) In the case of distributions to a school district that
9 ~~are-attributable-to-state-equalized-levies,~~ the county auditor
10 shall report amounts distributed to the commissioner of
11 education in the same manner as provided for excess increments
12 under section 469.176, subdivision 2, and the distribution shall
13 be deducted from the school district's state aid payments and
14 levy limitation according to section 127A.49, subdivision 3.

15 Sec. 20. [REPEALER.]

16 Minnesota Statutes 2004, sections 123B.83, subdivision 1,
17 and 126C.42, subdivisions 1 and 4, are repealed.

18 ARTICLE 2

19 EDUCATION EXCELLENCE

20 Section 1. Minnesota Statutes 2004, section 120B.11,
21 subdivision 1, is amended to read:

22 Subdivision 1. [DEFINITIONS.] For the purposes of this
23 section and section 120B.10, the following terms have the
24 meanings given them.

25 (a) "Instruction" means methods of providing learning
26 experiences that ~~enables~~ enable a student to meet state and
27 district academic standards and graduation
28 standards requirements.

29 (b) "Curriculum" means district or school adopted programs
30 and written plans for providing students with learning
31 experiences that lead to expected knowledge, and skills, ~~and~~
32 positive-attitudes.

33 Sec. 2. Minnesota Statutes 2004, section 120B.11,
34 subdivision 2, is amended to read:

35 Subd. 2. [ADOPTING POLICIES.] (a) A school board shall
36 ~~adopt-annually-a~~ have in place an adopted written policy that

1 includes the following:

2 (1) district goals for instruction and including the use of
3 best practices, district and school curriculum, and achievement
4 for all student subgroups;

5 (2) a process for evaluating each student's progress toward
6 meeting graduation academic standards and identifying the
7 strengths and weaknesses of instruction and curriculum affecting
8 students' progress;

9 (3) a system for periodically reviewing and evaluating all
10 instruction and curriculum;

11 (4) a plan for improving instruction and, curriculum, and
12 student achievement; and

13 (5) an ~~instruction-plan-that-includes~~ education
14 ~~effectiveness processes-developed-under~~ plan aligned with
15 section 122A.625 and that integrates instruction, curriculum,
16 and technology.

17 Sec. 3. Minnesota Statutes 2004, section 120B.11,
18 subdivision 3, is amended to read:

19 Subd. 3. [~~INSTRUCTION-AND-CURRICULUM~~ DISTRICT ADVISORY
20 COMMITTEE.] Each school board shall establish an ~~Instruction-and~~
21 ~~Curriculum~~ advisory committee to ensure active community
22 participation in all phases of planning and improving the
23 instruction and curriculum affecting state graduation and
24 district academic standards. A district advisory committee, to
25 the extent possible, shall reflect the diversity of the district
26 and its learning sites, and shall include teachers, parents,
27 support staff, ~~pupils~~ students, and other community residents.
28 The district may establish building teams as subcommittees of
29 the district advisory committee under subdivision 4. The
30 district advisory committee shall recommend to the school
31 board ~~districtwide-education-standards~~ rigorous academic
32 standards, student achievement goals and measures, assessments,
33 and program evaluations. Learning sites may expand upon
34 district evaluations of instruction, curriculum, assessments, or
35 programs. Whenever possible, parents and other community
36 residents shall comprise at least two-thirds of advisory

1 committee members.

2 Sec. 4. Minnesota Statutes 2004, section 120B.11,
3 subdivision 4, is amended to read:

4 Subd. 4. [BUILDING TEAM.] A school may establish a
5 building team to develop and implement an education
6 effectiveness plan to improve instruction and, curriculum, and
7 student achievement. The team shall advise the board and the
8 advisory committee about developing an instruction and
9 curriculum improvement plan that aligns curriculum, assessment
10 of student progress in meeting state graduation and district
11 academic standards, and instruction.

12 Sec. 5. Minnesota Statutes 2004, section 120B.11,
13 subdivision 5, is amended to read:

14 Subd. 5. [REPORT.] (a) By October 1 of each year, the
15 school board shall use standard statewide reporting procedures
16 the commissioner develops and adopt a report that includes the
17 following:

18 (1) student performance achievement goals for meeting state
19 graduation academic standards adopted-for-that-year;

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

22 (3) the annual school district improvement plans including
23 staff development goals under section 122A.60;

24 (4) information about district and learning site progress
25 in realizing previously adopted improvement plans; and

26 (5) the amount and type of revenue attributed to each
27 education site as defined in section 123B.04.

28 (b) The school board shall publish the report in the local
29 newspaper with the largest circulation in the district or, by
30 mail, or by electronic means such as the district Web site. If
31 electronic means are used, the public must be notified and
32 copies of the report made available on request. The board shall
33 make a copy of the report available to the public for
34 inspection. The board shall send a copy of the report to the
35 commissioner of education by October 15 of each year.

36 (c) The title of the report shall contain the name and

1 number of the school district and read "Annual Report on
2 Curriculum, Instruction, and Student Performance Achievement."
3 The report must include at least the following information about
4 advisory committee membership:

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

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

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

11 Sec. 6. Minnesota Statutes 2004, section 120B.11,
12 subdivision 8, is amended to read:

13 Subd. 8. [BIENNIAL EVALUATION; ASSESSMENT PROGRAM.] At
14 least once every two years, the district report shall include an
15 evaluation of the district testing programs, according to the
16 following:

17 (1) written objectives of the assessment program;

18 (2) names of tests and grade levels tested;

19 (3) use of test results; and

20 (4) ~~implementation-of-an-assurance-of-mastery-program~~
21 student achievement results compared to previous years.

22 Sec. 7. Minnesota Statutes 2004, section 121A.06,
23 subdivision 2, is amended to read:

24 Subd. 2. [REPORTS; CONTENT.] ~~By January 17, 1994, the~~
25 ~~commissioner, in consultation with the criminal and juvenile~~
26 ~~information policy group, shall develop a standardized form to~~
27 ~~be used by schools to report incidents involving the use or~~
28 ~~possession of a dangerous weapon in school zones. School~~
29 districts must electronically report to the commissioner of
30 education incidents involving the use or possession of a
31 dangerous weapon in school zones. The form shall must include
32 the following information:

33 (1) a description of each incident, including a description
34 of the dangerous weapon involved in the incident;

35 (2) where, at what time, and under what circumstances the
36 incident occurred;

1 (3) information about the offender, other than the
 2 offender's name, including the offender's age; whether the
 3 offender was a student and, if so, where the offender attended
 4 school; and whether the offender was under school expulsion or
 5 suspension at the time of the incident;

6 (4) information about the victim other than the victim's
 7 name, if any, including the victim's age; whether the victim was
 8 a student and, if so, where the victim attended school; and if
 9 the victim was not a student, whether the victim was employed at
 10 the school;

11 (5) the cost of the incident to the school and to the
 12 victim; and

13 (6) the action taken by the school administration to
 14 respond to the incident.

15 The commissioner ~~also shall develop~~ provide an alternative
 16 electronic reporting format that allows school districts to
 17 provide aggregate data~~7-with-an-option-to-use-computer~~
 18 ~~technology-to-report-the-data~~.

19 Sec. 8. Minnesota Statutes 2004, section 121A.06,
 20 subdivision 3, is amended to read:

21 Subd. 3. [REPORTS; FILING REQUIREMENTS.] By ~~February 1 and~~
 22 July 1 31 of each year, each public school shall report
 23 incidents involving the use or possession of a dangerous weapon
 24 in school zones to the commissioner. The reports must be made
 25 ~~on-the-standardized-forms-or-using-the-alternative~~
 26 format submitted using the electronic reporting system developed
 27 by the commissioner under subdivision 2. The commissioner shall
 28 compile the information it receives from the schools and report
 29 it annually to the commissioner of public safety~~7-the-criminal~~
 30 ~~and-juvenile-information-policy-group~~ and the legislature.

31 Sec. 9. Minnesota Statutes 2004, section 121A.53, is
 32 amended to read:

33 121A.53 [REPORT TO COMMISSIONER OF EDUCATION.]

34 Subdivision 1. [EXCLUSIONS AND EXPULSIONS.] The school
 35 board ~~shall~~ must report through the department electronic
 36 reporting system each exclusion or expulsion within 30 days of

1 the effective date of the action to the commissioner of
 2 education. This report ~~shall~~ must include a statement of
 3 alternative educational services given the pupil and the reason
 4 for, the effective date, and the duration of the exclusion or
 5 expulsion. The report must also include the student's age,
 6 grade, gender, race, and special education status.

7 Subd. 2. [REPORT.] The school board must include state
 8 student identification numbers of affected pupils on all
 9 dismissal reports required by the department. The department
 10 must report annually to the commissioner summary data on the
 11 number of dismissals by age, grade, gender, race, and special
 12 education status of the affected pupils. All dismissal reports
 13 must be submitted through the department electronic reporting
 14 system.

15 Sec. 10. Minnesota Statutes 2004, section 122A.06,
 16 subdivision 4, is amended to read:

17 Subd. 4. [COMPREHENSIVE, SCIENTIFICALLY BASED READING
 18 INSTRUCTION.] ~~"Comprehensive, scientifically based reading
 19 instruction" includes instruction and practice in phonemic
 20 awareness, phonics and other word recognition skills, and guided
 21 oral reading for beginning readers, as well as extensive silent
 22 reading, vocabulary instruction, instruction in comprehension,
 23 and instruction that fosters understanding and higher order
 24 thinking for readers of all ages and proficiency
 25 levels.~~ "Comprehensive, scientifically based reading
 26 instruction" includes a program or collection of instructional
 27 practices with demonstrated success in instructing learners and
 28 reliable and valid evidence to support the conclusion that when
 29 these methods are used with learners, they can be expected to
 30 achieve, at a minimum, satisfactory progress in reading
 31 achievement. The program or collection of practices must
 32 include, at a minimum, instruction in five areas of reading:
 33 phonemic awareness, phonics, fluency, vocabulary, and text
 34 comprehension.

35 Comprehensive, scientifically based reading instruction
 36 also includes and integrates instructional strategies for

1 continuously assessing and evaluating the learner's reading
2 progress and needs in order to design and implement ongoing
3 interventions so that learners of all ages and proficiency
4 levels can read and comprehend text and apply higher level
5 thinking skills.

6 Sec. 11. Minnesota Statutes 2004, section 122A.09,
7 subdivision 4, is amended to read:

8 Subd. 4. [LICENSE AND RULES.] (a) The board must adopt
9 rules to license public school teachers and interns subject to
10 chapter 14.

11 (b) The board must adopt rules requiring a person to
12 successfully complete a skills examination in reading, writing,
13 and mathematics as a requirement for initial teacher licensure.
14 Such rules must require college and universities offering a
15 board-approved teacher preparation program to provide remedial
16 assistance to persons who did not achieve a qualifying score on
17 the skills examination, including those for whom English is a
18 second language.

19 (c) The board must adopt rules to approve teacher
20 preparation programs. The board, upon the request of a
21 postsecondary student preparing for teacher licensure or a
22 licensed graduate of a teacher preparation program, shall assist
23 in resolving a dispute between the person and a postsecondary
24 institution providing a teacher preparation program when the
25 dispute involves an institution's recommendation for licensure
26 affecting the person or the person's credentials. At the
27 board's discretion, assistance may include the application of
28 chapter 14.

29 (d) The board must provide the leadership and shall adopt
30 rules for the redesign of teacher education programs to
31 implement a research based, results-oriented curriculum that
32 focuses on the skills teachers need in order to be effective.
33 The board shall implement new systems of teacher preparation
34 program evaluation to assure program effectiveness based on
35 proficiency of graduates in demonstrating attainment of program
36 outcomes.

1 (e) The board must adopt rules requiring successful
2 completion of an examination of general pedagogical knowledge
3 and examinations of licensure-specific teaching skills. The
4 rules shall be effective on the dates determined by the board
5 but not later than September 1, 2001.

6 (f) The board must adopt rules requiring teacher educators
7 to work directly with elementary or secondary school teachers in
8 elementary or secondary schools to obtain periodic exposure to
9 the elementary or secondary teaching environment.

10 (g) The board must grant licenses to interns and to
11 candidates for initial licenses.

12 (h) The board must design and implement an assessment
13 system which requires a candidate for an initial license and
14 first continuing license to demonstrate the abilities necessary
15 to perform selected, representative teaching tasks at
16 appropriate levels.

17 (i) The board must receive recommendations from local
18 committees as established by the board for the renewal of
19 teaching licenses.

20 (j) The board must grant life licenses to those who qualify
21 according to requirements established by the board, and suspend
22 or revoke licenses pursuant to sections 122A.20 and 214.10. The
23 board must not establish any expiration date for application for
24 life licenses.

25 (k) The board must adopt rules that require all licensed
26 teachers who are renewing their continuing license to include in
27 their renewal requirements further preparation in the areas of
28 using positive behavior interventions and in accommodating,
29 modifying, and adapting curricula, materials, and strategies to
30 appropriately meet the needs of individual students and ensure
31 adequate progress toward the state's graduation rule.

32 (l) In adopting rules to license public school teachers who
33 provide health-related services for disabled children, the board
34 shall adopt rules consistent with license or registration
35 requirements of the commissioner of health and the
36 health-related boards who license personnel who perform similar

1 services outside of the school.

2 (m) The board must adopt rules that require all licensed
3 teachers who are renewing their continuing license to include in
4 their renewal requirements further reading preparation,
5 consistent with section 122A.06, subdivision 4. The rules do
6 not take effect until they are approved by law. Teachers who do
7 not provide direct instruction including, at least, counselors,
8 school psychologists, school nurses, school social workers,
9 audiovisual directors and coordinators, and recreation personnel
10 are exempt from this section.

11 (n) The board must adopt rules that require all licensed
12 teachers who are renewing their continuing license to include in
13 their renewal requirements further preparation in understanding
14 the key warning signs of early-onset mental illness in children
15 and adolescents.

16 (o) The board must:

17 (1) adopt rules to license qualified candidates to teach
18 chemistry, physics, biology, and earth and space science; and

19 (2) license a science teacher to teach in a new science
20 content area or level if the teacher holds a continuing license
21 to teach science and receives a qualifying score on an
22 appropriate Praxis II test in a science subject other than the
23 teacher's currently licensed science field or level. A
24 qualifying score is the same test score used for initial
25 licenses to teach science. A science teacher who seeks
26 licensure in a different science content area or level under
27 this paragraph is responsible for the actual costs of the
28 required testing.

29 Sec. 12. Minnesota Statutes 2004, section 122A.18,
30 subdivision 2a, is amended to read:

31 Subd. 2a. [READING STRATEGIES.] (a) All colleges and
32 universities approved by the Board of Teaching to prepare
33 persons for classroom teacher licensure must include in their
34 teacher preparation programs reading-best-practices-that-enable
35 classroom-teacher-licensure-candidates-to-know-how-to-teach
36 reading-such-as-phonics-or-other research-based best practices

1 in reading, consistent with section 122A.06, subdivision 4, that
2 enable the licensure candidate to know how to teach reading in
3 the candidate's content areas.

4 (b) Board-approved teacher preparation programs for
5 teachers of elementary education must require instruction in the
6 application of comprehensive, scientifically based, and balanced
7 reading instruction programs that:

8 (1) teach students to read using foundational knowledge,
9 practices, and strategies consistent with section 122A.06,
10 subdivision 4, so that all students will achieve continuous
11 progress in reading; and

12 (2) teach specialized instruction in reading strategies,
13 interventions, and remediations that enable students of all ages
14 and proficiency levels to become proficient readers.

15 Sec. 13. Minnesota Statutes 2004, section 123B.143,
16 subdivision 1, is amended to read:

17 Subdivision 1. [CONTRACT; DUTIES.] All districts
18 maintaining a classified secondary school must employ a
19 superintendent who shall be an ex officio nonvoting member of
20 the school board. The authority for selection and employment of
21 a superintendent must be vested in the board in all cases. An
22 individual employed by a board as a superintendent shall have an
23 initial employment contract for a period of time no longer than
24 three years from the date of employment. Any subsequent
25 employment contract must not exceed a period of three years. A
26 board, at its discretion, may or may not renew an employment
27 contract. A board must not, by action or inaction, extend the
28 duration of an existing employment contract. Beginning 365 days
29 prior to the expiration date of an existing employment contract,
30 a board may negotiate and enter into a subsequent employment
31 contract to take effect upon the expiration of the existing
32 contract. A subsequent contract must be contingent upon the
33 employee completing the terms of an existing contract. If a
34 contract between a board and a superintendent is terminated
35 prior to the date specified in the contract, the board may not
36 enter into another superintendent contract with that same

1 individual that has a term that extends beyond the date
2 specified in the terminated contract. A board may terminate a
3 superintendent during the term of an employment contract for any
4 of the grounds specified in section 122A.40, subdivision 9 or 13.
5 A superintendent shall not rely upon an employment contract with
6 a board to assert any other continuing contract rights in the
7 position of superintendent under section 122A.40.
8 Notwithstanding the provisions of sections 122A.40, subdivision
9 10 or 11, 123A.32, 123A.75, or any other law to the contrary, no
10 individual shall have a right to employment as a superintendent
11 based on order of employment in any district. If two or more
12 districts enter into an agreement for the purchase or sharing of
13 the services of a superintendent, the contracting districts have
14 the absolute right to select one of the individuals employed to
15 serve as superintendent in one of the contracting districts and
16 no individual has a right to employment as the superintendent to
17 provide all or part of the services based on order of employment
18 in a contracting district. The superintendent of a district
19 shall perform the following:

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

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

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

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

28 ~~(5) by January 10, submit an annual report to the~~
29 ~~commissioner in a manner prescribed by the commissioner, in~~
30 ~~consultation with school districts, identifying the expenditures~~
31 ~~that the district requires to ensure an 80 percent student~~
32 ~~passage rate on the basic standards test taken in the eighth~~
33 ~~grade, identifying the highest student passage rate the district~~
34 ~~expects it will be able to attain on the basic standards test by~~
35 ~~grade 12, the amount of expenditures that the district requires~~
36 ~~to attain the targeted student passage rate, and how much the~~

~~1 district-is-cross-subsidizing-programs-with-special-education,~~
~~2 basic-skills,-and-general-education-revenue,-and~~

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

4 Sec. 14. Minnesota Statutes 2004, section 123B.36,
5 subdivision 1, is amended to read:

6 Subdivision 1. [SCHOOL BOARDS MAY REQUIRE FEES.] (a) For
7 purposes of this subdivision, "home school" means a home school
8 as defined in sections 120A.22 and 120A.24 with five or fewer
9 students receiving instruction.

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

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

15 (2) admission fees or charges for extra curricular
16 activities, where attendance is optional and where the admission
17 fees or charges a student must pay to attend or participate in
18 an extracurricular activity is the same for all students,
19 regardless of whether the student is enrolled in a public or a
20 home school;

21 (3) a security deposit for the return of materials,
22 supplies, or equipment;

23 (4) personal physical education and athletic equipment and
24 apparel, although any pupil may personally provide it if it
25 meets reasonable requirements and standards relating to health
26 and safety established by the board;

27 (5) items of personal use or products that a student has an
28 option to purchase such as student publications, class rings,
29 annuals, and graduation announcements;

30 (6) fees specifically permitted by any other statute,
31 including but not limited to section 171.05, subdivision 2;
32 provided (i) driver education fees do not exceed the actual cost
33 to the school and school district of providing driver education,
34 and (ii) the driver education courses are open to enrollment to
35 persons between the ages of 15 and 18 who reside or attend
36 school in the school district;

1 (7) field trips considered supplementary to a district
2 educational program;

3 (8) any authorized voluntary student health and accident
4 benefit plan;

5 (9) for the use of musical instruments owned or rented by
6 the district, a reasonable rental fee not to exceed either the
7 rental cost to the district or the annual depreciation plus the
8 actual annual maintenance cost for each instrument;

9 (10) transportation of pupils to and from extra curricular
10 activities conducted at locations other than school, where
11 attendance is optional, and transportation of charter school
12 students participating in extracurricular activities in their
13 resident district under section 123B.49, subdivision 4,
14 paragraph (a), which must be charged to the charter school;

15 (11) transportation to and from school of pupils living
16 within two miles from school and all other transportation
17 services not required by law. If a district charges fees for
18 transportation of pupils, it must establish guidelines for that
19 transportation to ensure that no pupil is denied transportation
20 solely because of inability to pay;

21 (12) motorcycle classroom education courses conducted
22 outside of regular school hours; provided the charge must not
23 exceed the actual cost of these courses to the school district;

24 (13) transportation to and from postsecondary institutions
25 for pupils enrolled under the postsecondary enrollment options
26 program under section 123B.88, subdivision 22. Fees collected
27 for this service must be reasonable and must be used to reduce
28 the cost of operating the route. Families who qualify for
29 mileage reimbursement under section 124D.09, subdivision 22, may
30 use their state mileage reimbursement to pay this fee. If no
31 fee is charged, districts must allocate costs based on the
32 number of pupils riding the route.

33 Sec. 15. Minnesota Statutes 2004, section 123B.49,
34 subdivision 4, is amended to read:

35 Subd. 4. [BOARD CONTROL OF EXTRACURRICULAR ACTIVITIES.]

36 (a) The board may take charge of and control all extracurricular

1 activities of the teachers and children of the public schools in
2 the district. Extracurricular activities means all direct and
3 personal services for pupils for their enjoyment that are
4 managed and operated under the guidance of an adult or staff
5 member. The board shall allow all resident pupils receiving
6 instruction in a home school as defined in section 123B.36,
7 subdivision 1, paragraph (a), and all resident pupils receiving
8 instruction in a charter school as defined in section 124D.10 to
9 be eligible to fully participate in extracurricular activities
10 on the same basis as public school students enrolled in the
11 district's schools. A charter school student must give the
12 enrolling charter school at least a 30-day notice of the
13 student's intent to participate in an extracurricular activity
14 in the resident district. A charter school student is not
15 eligible to participate in an extracurricular activity in the
16 resident district if that extracurricular activity is offered by
17 the enrolling charter school or the extracurricular activity is
18 not controlled by the high school league under chapter 128C.
19 Charter school students participating in extracurricular
20 activities must meet the academic and student conduct
21 requirements of the resident district. The charter school must:
22 (1) collect the same information that a district collects
23 on a student's eligibility to participate in an extracurricular
24 activity;
25 (2) transmit that information to the district at least ten
26 days before a student begins to participate in the
27 extracurricular activity; and
28 (3) immediately transmit to the district any additional
29 information affecting the student's eligibility.
30 (b) Extracurricular activities have all of the following
31 characteristics:
32 (1) they are not offered for school credit nor required for
33 graduation;
34 (2) they are generally conducted outside school hours, or
35 if partly during school hours, at times agreed by the
36 participants, and approved by school authorities;

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

4 (c) If the board does not take charge of and control
5 extracurricular activities, these activities shall be
6 self-sustaining with all expenses, except direct salary costs
7 and indirect costs of the use of school facilities, met by dues,
8 admissions, or other student fund-raising events. The general
9 fund must reflect only those salaries directly related to and
10 readily identified with the activity and paid by public funds.
11 Other revenues and expenditures for extra curricular activities
12 must be recorded according to the "~~Manual of-Instruction for~~
13 Uniform-Student-Activities Activity Fund Accounting for
14 Minnesota-School-Districts-and-Area-Vocational-Technical
15 Colleges." Extracurricular activities not under board control
16 must have an annual financial audit and must also be audited
17 annually for compliance with this section.

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

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

28 (f) School districts may charge charter schools their
29 proportional share of the direct and indirect costs of the
30 extracurricular activities that are not covered by student fees
31 under section 123B.36, subdivision 1. A district may charge
32 charter school students the same fees it charges enrolled
33 students to participate in an extracurricular activity. A
34 district is not required to provide transportation from the
35 charter school to the resident district for a charter school
36 student who participates in an extracurricular activity in the

1 resident district.

2 [EFFECTIVE DATE.] This section is effective for the
3 2005-2006 school year and later.

4 Sec. 16. Minnesota Statutes 2004, section 124D.095,
5 subdivision 8, is amended to read:

6 Subd. 8. [FINANCIAL ARRANGEMENTS.] (a) For a student
7 enrolled in an on-line learning course, the department must
8 calculate average daily membership and make payments according
9 to this subdivision.

10 (b) The initial on-line learning average daily membership
11 equals 1/12 for each semester course or a proportionate amount
12 for courses of different lengths. The adjusted on-line learning
13 average daily membership equals the initial on-line learning
14 average daily membership times .88.

15 (c) No on-line learning average daily membership shall be
16 generated if: (1) the student does not complete the on-line
17 learning course, or (2) the student is enrolled in on-line
18 learning provided by the enrolling district and the student
19 was either enrolled in a Minnesota public school for the school
20 year before the school year in which the student first enrolled
21 in on-line learning, or the student is enrolled in an
22 instructional program in which at least 40 percent of the total
23 instructional time takes place in the school's facilities. For
24 students enrolled in on-line learning according to clause (2),
25 the department shall calculate average daily membership
26 according to section 126C.05, subdivision 8.

27 (d) On-line learning average daily membership under this
28 subdivision for a student currently enrolled in a Minnesota
29 public school and who was enrolled in a Minnesota public school
30 for the school year before the school year in which the student
31 first enrolled in on-line learning shall be used only for
32 computing average daily membership according to section 126C.05,
33 subdivision 19, paragraph (a), clause ~~(1)~~ (2), and for
34 computing on-line learning aid according to section 126C.24.

35 (e) On-line learning average daily membership under this
36 subdivision for students not included in paragraph (c) or (d)

1 shall be used only for computing average daily membership
2 according to section 126C.05, subdivision 19, paragraph (a),
3 clause ~~{ii}~~ (2), and for computing payments under paragraphs (f)
4 and (g).

5 (f) Subject to the limitations in this subdivision, the
6 department must pay an on-line learning provider an amount equal
7 to the product of the adjusted on-line learning average daily
8 membership for students under paragraph (e) times the student
9 grade level weighting under section 126C.05, subdivision 1,
10 times the formula allowance.

11 (g) The department must pay each on-line learning provider
12 100 percent of the amount in paragraph (f) within 45 days of
13 receiving final enrollment and course completion information
14 each quarter or semester.

15 [EFFECTIVE DATE.] This section is effective the day
16 following final enactment.

17 Sec. 17. Minnesota Statutes 2004, section 124D.10,
18 subdivision 3, is amended to read:

19 Subd. 3. [SPONSOR.] (a) A school board; intermediate
20 school district school board; education district organized under
21 sections 123A.15 to 123A.19; charitable organization under
22 section 501(c)(3) of the Internal Revenue Code of 1986 that is a
23 member of the Minnesota Council of Nonprofits or the Minnesota
24 Council on Foundations, registered with the attorney general's
25 office, and reports an end-of-year fund balance of at least
26 \$2,000,000; Minnesota private college that grants two- or
27 four-year degrees and is registered with the Higher Education
28 Services Office under chapter 136A; community college, state
29 university, or technical college, governed by the Board of
30 Trustees of the Minnesota State Colleges and Universities; or
31 the University of Minnesota may sponsor one or more charter
32 schools.

33 (b) A nonprofit corporation subject to chapter 317A,
34 described in section 317A.905, and exempt from federal income
35 tax under section 501(c)(6) of the Internal Revenue Code of
36 1986, may sponsor one or more charter schools if the charter

1 school has operated for at least three years under a different
2 sponsor and if the nonprofit corporation has existed for at
3 least 25 years.

4 (c) The commissioner of education may approve up to five
5 charitable organizations under section 501(c)(3) of the Internal
6 Revenue Code of 1986 which have as their primary activity the
7 sponsoring of charter schools. Proposals of the charitable
8 organizations to the commissioner must contain:

9 (1) the articles, bylaws, and initial board membership;

10 (2) the sources of financing for its operation;

11 (3) the areas of specialization of its sponsorship; and

12 (4) other information requested by the department.

13 Sponsors approved under this paragraph shall report annually to
14 the commissioner on the types of charter schools sponsored,
15 their effectiveness in promoting student achievement; the
16 development of alternative school governance structures, and
17 other information requested by the department. The commissioner
18 may terminate its authorization for a charitable organization to
19 sponsor a charter school under this paragraph if the charitable
20 organization demonstrates persistent financial mismanagement or
21 repeated violations of law.

22 Sec. 18. Minnesota Statutes 2004, section 124D.10,
23 subdivision 4, is amended to read:

24 Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may
25 authorize one or more licensed teachers under section 122A.18,
26 subdivision 1, to operate a charter school subject to approval
27 by the commissioner. A board must vote on charter school
28 application for sponsorship no later than 90 days after
29 receiving the application. After 90 days, the applicant may
30 apply to the commissioner. If a board elects not to sponsor a
31 charter school, the applicant may appeal the board's decision to
32 the commissioner. The commissioner may elect to sponsor the
33 charter school or assist the applicant in finding an eligible
34 sponsor. The school must be organized and operated as a
35 cooperative under chapter 308A or nonprofit corporation under
36 chapter 317A and the provisions under the applicable chapter

1 shall apply to the school except as provided in this section.
2 Notwithstanding sections 465.717 and 465.719, a school district
3 may create a corporation for the purpose of creating a charter
4 school.

5 (b) Before the operators may form and operate a school, the
6 sponsor must file an affidavit with the commissioner stating its
7 intent to authorize a charter school. The affidavit must state
8 the terms and conditions under which the sponsor would authorize
9 a charter school. The commissioner must approve or disapprove
10 the sponsor's proposed authorization within ~~60~~ 90 days of
11 receipt of the affidavit. Failure to obtain commissioner
12 approval precludes a sponsor from authorizing the charter school
13 that was the subject of the affidavit.

14 (c) The operators authorized to organize and operate a
15 school, before entering into a contract or other agreement for
16 professional or other services, goods, or facilities, must
17 incorporate as a cooperative under chapter 308A or as a
18 nonprofit corporation under chapter 317A and must establish a
19 board of directors composed of at least five members until a
20 timely election for members of the charter school board of
21 directors is held according to the school's articles and
22 bylaws. A charter school board of directors must be composed of
23 at least five members. Any staff members who are employed at
24 the school, including teachers providing instruction under a
25 contract with a cooperative, and all parents of children
26 enrolled in the school may participate in the election for
27 members of the school's board of directors. Licensed teachers
28 employed at the school, including teachers providing instruction
29 under a contract with a cooperative, must be a majority of the
30 members of the board of directors before the school completes
31 its third year of operation, unless the commissioner waives the
32 requirement for a majority of licensed teachers on the board.
33 Board of director meetings must comply with chapter 13D.

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

1 (e) A sponsor may authorize the operators of a charter
2 school to expand the operation of the charter school to
3 additional sites or to add additional grades at the school
4 beyond those described in the sponsor's application as approved
5 by the commissioner only after submitting a supplemental
6 application to the commissioner in a form and manner prescribed
7 by the commissioner. The supplemental application must provide
8 evidence that:

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

11 (2) the charter school is fiscally sound;

12 (3) the sponsor supports the expansion; and

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

15 (f) The commissioner annually must provide timely financial
16 management training to newly elected members of a charter school
17 board of directors and ongoing training to other members of a
18 charter school board of directors. Training must address ways
19 to:

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

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

24 (3) establish proper filing techniques;

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

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

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

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

34 Sec. 19. Minnesota Statutes 2004, section 124D.10,
35 subdivision 8, is amended to read:

36 Subd. 8. [STATE AND LOCAL REQUIREMENTS.] (a) A charter

1 school shall meet all applicable state and local health and
2 safety requirements.

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

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

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

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

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

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

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

25 (i) A charter school is subject to the same financial
26 audits, audit procedures, and audit requirements as a district.
27 Audits must be conducted in compliance with generally accepted
28 governmental auditing standards, the Federal Single Audit Act,
29 if applicable, and section 6.65. A charter school is subject to
30 and must comply with sections 15.054; 118A.01; 118A.02; 118A.03;
31 118A.04; 118A.05; 118A.06; 123B.52, subdivision 5; 471.38;
32 471.391; 471.392; 471.425; 471.87; 471.88, subdivisions 1, 2, 3,
33 4, 5, 6, 12, 13, and 15; 471.881; and 471.89. The audit must
34 comply with the requirements of sections 123B.75 to 123B.83,
35 except to the extent deviations are necessary because of the
36 program at the school. Deviations must be approved by the

1 commissioner. The Department of Education, state auditor, or
2 legislative auditor may conduct financial, program, or
3 compliance audits. A charter school determined to be in
4 statutory operating debt under sections 123B.81 to 123B.83 must
5 submit a plan under section 123B.81, subdivision 4.

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

8 (k) A charter school must comply with sections 13.32;
9 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3
10 and 5.

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

13 (m) A charter school is subject to sections 123B.36,
14 subdivision 1, paragraph (b), clause (10), and 123B.49,
15 subdivision 4, paragraph (a), when its students participate in
16 extracurricular activities in their resident district.

17 [EFFECTIVE DATE.] This section is effective for the
18 2005-2006 school year and later.

19 Sec. 20. Minnesota Statutes 2004, section 124D.11,
20 subdivision 1, is amended to read:

21 Subdivision 1. [GENERAL EDUCATION REVENUE.] (a) General
22 education revenue must be paid to a charter school as though it
23 were a district. The general education revenue for each
24 adjusted marginal cost pupil unit is the state average general
25 education revenue per pupil unit, plus the referendum
26 equalization aid allowance in the pupil's district of residence,
27 minus an amount equal to the product of the formula allowance
28 according to section 126C.10, subdivision 2, times .0485,
29 calculated without basic skills revenue, extended time revenue,
30 transition revenue, and transportation sparsity revenue, plus
31 basic skills revenue, extended time revenue, and transition
32 revenue as though the school were a school district. The
33 general education revenue for each extended time marginal cost
34 pupil unit equals \$4,378.

35 (b) Notwithstanding paragraph (a), for charter schools in
36 the first year of operation, general education revenue shall be

1 computed using the number of adjusted pupil units in the current
2 fiscal year.

3 Sec. 21. Minnesota Statutes 2004, section 124D.11,
4 subdivision 6, is amended to read:

5 Subd. 6. [OTHER AID, GRANTS, REVENUE.] (a) A charter
6 school is eligible to receive other aids, grants, and revenue
7 according to chapters 120A to 129C, as though it were a district.

8 (b) Notwithstanding paragraph (a), a charter school may not
9 receive aid, a grant, or revenue if a levy is required to obtain
10 the money, or if the aid, grant, or revenue is a replacement of
11 levy revenue, except as otherwise provided in this section.

12 (c) Federal aid received by the state must be paid to the
13 school, if it qualifies for the aid as though it were a school
14 district.

15 (d) A charter school may receive money from any source for
16 capital facilities needs. In the year-end report to the
17 commissioner of education, the charter school shall report the
18 total amount of funds received from grants and other outside
19 sources.

20 Sec. 22. Minnesota Statutes 2004, section 124D.74,
21 subdivision 1, is amended to read:

22 Subdivision 1. [PROGRAM DESCRIBED.] American Indian
23 education programs are programs in public elementary and
24 secondary schools, nonsectarian nonpublic, community,
25 tribal, charter, or alternative schools enrolling American
26 Indian children designed to:

27 (1) support postsecondary preparation for pupils;

28 (2) support the academic achievement of American Indian
29 students with identified focus to improve reading and mathematic
30 skills;

31 (3) make the curriculum more relevant to the needs,
32 interests, and cultural heritage of American Indian pupils;

33 (4) provide positive reinforcement of the self-image of
34 American Indian pupils;

35 (5) develop intercultural awareness among pupils, parents,
36 and staff; and

1 (6) supplement, not supplant, state and federal educational
2 and cocurricular programs.

3 Program components may include: development of support
4 components for students in the areas of academic achievement,
5 retention, and attendance; development of support components for
6 staff, including in-service training and technical assistance in
7 methods of teaching American Indian pupils; research projects,
8 including experimentation with and evaluation of methods of
9 relating to American Indian pupils; provision of personal and
10 vocational counseling to American Indian pupils; modification of
11 curriculum, instructional methods, and administrative procedures
12 to meet the needs of American Indian pupils; and supplemental
13 instruction in American Indian language, literature, history,
14 and culture. Districts offering programs may make contracts for
15 the provision of program components by establishing cooperative
16 liaisons with tribal programs and American Indian social service
17 agencies. These programs may also be provided as components of
18 early childhood and family education programs.

19 Sec. 23. Minnesota Statutes 2004, section 124D.81,
20 subdivision 1, is amended to read:

21 Subdivision 1. [GRANTS; PROCEDURES.] Each fiscal year the
22 commissioner of education must make grants to no fewer than six
23 American Indian education programs. At least three programs
24 must be in urban areas and at least three must be on or near
25 reservations. The board of a local district, a participating
26 school or a group of boards may develop a proposal for grants in
27 support of American Indian education programs. Proposals may
28 provide for contracts for the provision of program components by
29 nonsectarian nonpublic, community, tribal, charter, or
30 alternative schools. The commissioner shall prescribe the form
31 and manner of application for grants, and no grant shall be made
32 for a proposal not complying with the requirements of sections
33 ~~124D.71 to 124D.82. The commissioner must submit all proposals~~
34 ~~to the state Advisory Committee on American Indian Education~~
35 ~~Programs for its recommendations concerning approval,~~
36 ~~modification, or disapproval and the amounts of grants to~~

1 ~~approved-programs-~~

2 Sec. 24. Minnesota Statutes 2004, section 124D.84,
3 subdivision 1, is amended to read:

4 Subdivision 1. [AWARDS.] The commissioner~~-with-the-advice~~
5 ~~and-counsel-of-the-Minnesota-Indian-Education-Committee,~~ may
6 award scholarships to any Minnesota resident student who is of
7 one-fourth or more Indian ancestry, who has applied for other
8 existing state and federal scholarship and grant programs, and
9 who, in the opinion of the commissioner, has the capabilities to
10 benefit from further education. Scholarships must be for
11 accredited degree programs in accredited Minnesota colleges or
12 universities or for courses in accredited Minnesota business,
13 technical, or vocational schools. Scholarships may also be
14 given to students attending Minnesota colleges that are in
15 candidacy status for obtaining full accreditation, and are
16 eligible for and receiving federal financial aid programs.
17 Students are also eligible for scholarships when enrolled as
18 students in Minnesota higher education institutions that have
19 joint programs with other accredited higher education
20 institutions. Scholarships shall be used to defray the total
21 cost of education including tuition, incidental fees, books,
22 supplies, transportation, other related school costs and the
23 cost of board and room and shall be paid directly to the college
24 or school concerned where the student receives federal financial
25 aid. The total cost of education includes all tuition and fees
26 for each student enrolling in a public institution and the
27 portion of tuition and fees for each student enrolling in a
28 private institution that does not exceed the tuition and fees at
29 a comparable public institution. Each student shall be awarded
30 a scholarship based on the total cost of the student's education
31 and a federal standardized need analysis. Applicants are
32 encouraged to apply for all other sources of financial aid. ~~The~~
33 ~~amount-and-type-of-each-scholarship-shall-be-determined-through~~
34 ~~the-advice-and-counsel-of-the-Minnesota-Indian-education~~
35 ~~committee-~~

36 When an Indian student satisfactorily completes the work

1 required by a certain college or school in a school year the
 2 student is eligible for additional scholarships, if additional
 3 training is necessary to reach the student's educational and
 4 vocational objective. Scholarships may not be given to any
 5 Indian student for more than five years of study ~~without special~~
 6 ~~recommendation of the Minnesota Indian Education Committee.~~

7 Sec. 25. [127A.52] [CROSS-SUBSIDY REPORTS.]

8 By January 30 of each year, the commissioner must estimate
 9 how much each district cross-subsidized the cost of special
 10 education and basic skills programs with general education
 11 revenue during the fiscal year ending on June 30 of the previous
 12 year. The commissioner must make the cross-subsidy estimates
 13 available to all districts and the public by posting the
 14 cross-subsidy reports on the department's Web site.

15 ARTICLE 3

16 SPECIAL PROGRAMS

17 Section 1. Minnesota Statutes 2004, section 125A.24, is
 18 amended to read:

19 125A.24 [PARENT ADVISORY COUNCILS.]

20 In order to increase the involvement of parents of children
 21 with disabilities in district policy making and decision making,
 22 school districts must have a special education advisory council
 23 that is incorporated into the district's special education
 24 system plan.

25 (1) This advisory council may be established either for
 26 individual districts or in cooperation with other districts who
 27 are members of the same special education cooperative.

28 (2) A district may set up this council as a subgroup of an
 29 existing board, council, or committee.

30 (3) At least half of the designated council members must be
 31 parents of students with a disability. At least one of the
 32 members must be a parent of a nonpublic school student with a
 33 disability or an employee of a nonpublic school. Each local
 34 council must meet no less than once each year. The number of
 35 members, frequency of meetings, and operational procedures are
 36 to be locally determined.

1 Sec. 2. Minnesota Statutes 2004, section 125A.28, is
2 amended to read:

3 125A.28 [STATE INTERAGENCY COORDINATING COUNCIL.]

4 An Interagency Coordinating Council of at least 17, but not
5 more than 25 members is established, in compliance with Public
6 Law 102-119, section 682. The members must be appointed by the
7 governor. Council members must elect the council chair. The
8 representative of the commissioner may not serve as the chair.
9 The council must be composed of at least five parents, including
10 persons of color, of children with disabilities under age 12,
11 including at least three parents of a child with a disability
12 under age seven, five representatives of public or private
13 providers of services for children with disabilities under age
14 five, including a special education director, county social
15 service director, local Head Start director, and a community
16 health services or public health nursing administrator, one
17 member of the senate, one member of the house of
18 representatives, one representative of teacher preparation
19 programs in early childhood-special education or other
20 preparation programs in early childhood intervention, at least
21 one representative of advocacy organizations for children with
22 disabilities under age five, one physician who cares for young
23 children with special health care needs, one representative each
24 from the commissioners of commerce, education, health, human
25 services, a representative from the state agency responsible for
26 child care, and a representative from Indian health services or
27 a tribal council. Section 15.059, subdivisions 2 to 5, apply to
28 the council. The council must meet at least quarterly.

29 The council must address methods of implementing the state
30 policy of developing and implementing comprehensive,
31 coordinated, multidisciplinary interagency programs of early
32 intervention services for children with disabilities and their
33 families.

34 The duties of the council include recommending policies to
35 ensure a comprehensive and coordinated system of all state and
36 local agency services for children under age five with

1 disabilities and their families. The policies must address how
 2 to incorporate each agency's services into a unified state and
 3 local system of multidisciplinary assessment practices,
 4 individual intervention plans, comprehensive systems to find
 5 children in need of services, methods to improve public
 6 awareness, and assistance in determining the role of interagency
 7 early intervention committees.

8 By-September-1 On the date that Minnesota Part C Annual
 9 Performance Report is submitted to the federal Office of Special
 10 Education, the council must recommend to the governor and the
 11 commissioners of education, health, human services, commerce,
 12 and employment and economic development policies for a
 13 comprehensive and coordinated system.

14 Notwithstanding any other law to the contrary, the State
 15 Interagency Coordinating Council expires on June 30, ~~2005~~ 2009.

16 Sec. 3. Minnesota Statutes 2004, section 134.31, is
 17 amended by adding a subdivision to read:

18 Subd. 5a. [ADVISORY COMMITTEE.] The commissioner shall
 19 appoint an advisory committee of five members to advise the
 20 staff of the Minnesota Library for the Blind and Physically
 21 Handicapped on long-range plans and library services. Members
 22 shall be people who use the library. Section 15.059 governs
 23 this committee except that the committee shall not expire.

24 ARTICLE 4

25 FACILITIES AND TECHNOLOGY

26 Section 1. Minnesota Statutes 2004, section 123B.59,
 27 subdivision 3, is amended to read:

28 Subd. 3. [BOND AUTHORIZATION.] (a) A school district may
 29 issue general obligation bonds under this section to finance
 30 facilities plans approved by its board and the commissioner.
 31 Chapter 475, except sections 475.58 and 475.59, must be complied
 32 with. The district may levy under subdivision 5 for the debt
 33 service revenue. The authority to issue bonds under this
 34 section is in addition to any bonding authority authorized by
 35 this chapter, or other law. The amount of bonding authority
 36 authorized under this section must be disregarded in calculating

1 the bonding or net debt limits of this chapter, or any other law
2 other than section 475.53, subdivision 4.

3 (b) At least 60 days before a district issues bonds the
4 earliest of solicitation of bids, the issuance of bonds, or the
5 final certification of levies under this subdivision 5, it the
6 district must publish notice of the intended projects, the
7 amount of the bond issue, and the total amount of district
8 indebtedness, and the commissioner's review and comment, if
9 applicable.

10 Sec. 2. Minnesota Statutes 2004, section 123B.59,
11 subdivision 3a, is amended to read:

12 Subd. 3a. [LEVY AUTHORIZATION.] (a) A school district may
13 levy under this section to finance the portion of facilities
14 plans approved by its board and the commissioner that are not
15 financed through bond issues according to subdivision 3.

16 (b) At least 60 days before a final district certification
17 of levies under this subdivision 5, it the district must
18 publish notice of the intended projects, including the total
19 estimated project cost, and the commissioner's review and
20 comment, if applicable.

21 Sec. 3. Minnesota Statutes 2004, section 123B.63,
22 subdivision 2, is amended to read:

23 Subd. 2. [USES OF THE ACCOUNT.] Money in the capital
24 project referendum account must be used only for the purposes
25 specified in section 126C.10, subdivision 14, for operating
26 capital revenue, including the costs of acquisition and
27 betterment for a project that has been reviewed under section
28 123B.71 and has been approved according to subdivision 3.

29 Sec. 4. Minnesota Statutes 2004, section 123B.71,
30 subdivision 8, is amended to read:

31 Subd. 8. [REVIEW AND COMMENT.] A school district, a
32 special education cooperative, or a cooperative unit of
33 government, as defined in section 123A.24, subdivision 2, must
34 not initiate an installment contract for purchase or a lease
35 agreement, hold a referendum for bonds, nor solicit bids for new
36 construction, expansion, or remodeling of an educational

1 facility that requires an expenditure in excess of \$500,000 per
2 school site prior to review and comment by the commissioner.
3 The commissioner may exempt a facility maintenance project
4 funded with general education aid and levy, alternative
5 facilities bonding and levy program, or health and safety
6 revenue from this provision after reviewing a written request
7 from a school district describing the scope of work. A school
8 board shall not separate portions of a single project into
9 components to avoid the requirements of this subdivision.

10 Sec. 5. Minnesota Statutes 2004, section 123B.71,
11 subdivision 12, is amended to read:

12 Subd. 12. [PUBLICATION.] (a) At least 20 days but not more
13 than 60 days before a referendum for bonds or solicitation of
14 bids for a project that has received a positive or unfavorable
15 review and comment under section 123B.70, the school board shall
16 publish the commissioner's review and comment of that project in
17 the legal newspaper of the district. Supplementary information
18 shall be available to the public.

19 (b) The publication requirement in paragraph (a) does not
20 apply to alternative facilities projects approved under section
21 123B.59. Publication for alternative facilities projects shall
22 be as specified in section 123B.59, subdivisions 3 and 3a.

23 ARTICLE 5

24 EARLY CHILDHOOD FAMILY SUPPORT

25 Section 1. Minnesota Statutes 2004, section 124D.135,
26 subdivision 5, is amended to read:

27 Subd. 5. [USE OF REVENUE RESTRICTED.] Early childhood
28 family education revenue may be used only for early childhood
29 family education programs. Not more than five percent of early
30 childhood family education revenue, as defined in subdivision 7,
31 may be used to administer early childhood family education
32 programs.

33 Sec. 2. Minnesota Statutes 2004, section 124D.16,
34 subdivision 3, is amended to read:

35 Subd. 3. [USE OF AID.] School readiness aid shall be used
36 only to provide a school readiness program and may be used to

1 provide transportation. Not more than five percent of the
2 aid school readiness revenue, as defined in subdivision 7, may
3 be used for the cost of administering the program. Aid must be
4 used to supplement and not supplant local, state, and federal
5 funding. Aid may not be used for instruction and services
6 required under sections 125A.03 to 125A.24 and 125A.65. Aid may
7 not be used to purchase land or construct buildings, but may be
8 used to lease or renovate existing buildings.

9 Sec. 3. Minnesota Statutes 2004, section 126C.15,
10 subdivision 1, is amended to read:

11 Subdivision 1. [USE OF THE REVENUE.] Except for revenue
12 allocated for prekindergarten programs under subdivision 2,
13 paragraph (c), the basic skills revenue under section 126C.10,
14 subdivision 4, must be reserved and used to meet the educational
15 needs of pupils who enroll under-prepared to learn and whose
16 progress toward meeting state or local content or performance
17 standards is below the level that is appropriate for learners of
18 their age. Any of the following may be provided to meet these
19 learners' needs:

20 (1) direct instructional services under the assurance of
21 mastery program according to section 124D.66;

22 (2) remedial instruction in reading, language arts,
23 mathematics, other content areas, or study skills to improve the
24 achievement level of these learners;

25 (3) additional teachers and teacher aides to provide more
26 individualized instruction to these learners through individual
27 tutoring, lower instructor-to-learner ratios, or team teaching;

28 (4) a longer school day or week during the regular school
29 year or through a summer program that may be offered directly by
30 the site or under a performance-based contract with a
31 community-based organization;

32 (5) comprehensive and ongoing staff development consistent
33 with district and site plans according to section 122A.60, for
34 teachers, teacher aides, principals, and other personnel to
35 improve their ability to identify the needs of these learners
36 and provide appropriate remediation, intervention,

1 accommodations, or modifications;

2 (6) instructional materials and technology appropriate for
3 meeting the individual needs of these learners;

4 (7) programs to reduce truancy, encourage completion of
5 high school, enhance self-concept, provide health services,
6 provide nutrition services, provide a safe and secure learning
7 environment, provide coordination for pupils receiving services
8 from other governmental agencies, provide psychological services
9 to determine the level of social, emotional, cognitive, and
10 intellectual development, and provide counseling services,
11 guidance services, and social work services;

12 (8) bilingual programs, bicultural programs, and programs
13 for learners of limited English proficiency;

14 (9) all day kindergarten;

15 (10) extended school day and extended school year programs;
16 and

17 (11) substantial parent involvement in developing and
18 implementing remedial education or intervention plans for a
19 learner, including learning contracts between the school, the
20 learner, and the parent that establish achievement goals and
21 responsibilities of the learner and the learner's parent or
22 guardian.

23 Sec. 4. Minnesota Statutes 2004, section 126C.15,
24 subdivision 2, is amended to read:

25 Subd. 2. [BUILDING ALLOCATION.] (a) A district must
26 allocate its compensatory revenue to each school building in the
27 district where the children who have generated the revenue are
28 served.

29 (b) Notwithstanding paragraph (a), a district may allocate
30 up to five percent of the amount of compensatory revenue that
31 the district ~~received-during-the-previous-fiscal-year~~ receives
32 to school sites according to a plan adopted by the school board.

33 (c) Notwithstanding paragraph (a), a district may allocate
34 up to ten percent of the amount of compensatory revenue the
35 district receives to support prekindergarten programs under
36 subdivision 2a.

1 provide swab team services and swab team services for
2 residential property. Grants may be awarded to nonprofit
3 organizations to provide technical assistance and training to
4 ensure quality and consistency within the statewide program.
5 Grants must be awarded to help ensure full-time employment to
6 workers providing swab team services and must be awarded for a
7 two-year period.

8 Grants awarded under this section must be made in
9 consultation with the ~~commissioners-of-the-Department-of-Health~~
10 ~~and commissioner of the Housing Finance Agency,~~ and
11 representatives of neighborhood groups from areas at high risk
12 for toxic lead exposure, a labor organization, the lead
13 coalition, community action agencies, and the legal aid
14 society. The consulting team must review grant applications and
15 recommend awards to eligible organizations that meet
16 requirements for receiving a grant under this section.

17 Sec. 3. Minnesota Statutes 2004, section 119A.46,
18 subdivision 3, is amended to read:

19 Subd. 3. [APPLICANTS.] (a) Interested eligible
20 organizations may apply to the commissioner for grants under
21 this section. Two or more eligible organizations may jointly
22 apply for a grant. Priority shall be given to community action
23 agencies in greater Minnesota and to either community action
24 agencies or neighborhood based nonprofit organizations in cities
25 of the first class. Of the total annual appropriation, 12.5
26 percent may be used for administrative purposes. The
27 commissioner may deviate from this percentage if a grantee can
28 justify the need for a larger administrative allowance. Of this
29 amount, up to five percent may be used by the commissioner for
30 state administrative purposes. Applications must provide
31 information requested by the commissioner, including at least
32 the information required to assess the factors listed in
33 paragraph (d).

34 (b) The commissioner must ~~coordinate-with-the-commissioner~~
35 ~~of-health-who-must~~ consult with boards of health to provide swab
36 team services for purposes of secondary prevention. The

1 priority for swab teams created by grants to eligible
2 organizations under this section must be work assigned by the
3 commissioner of health, or by a board of health if so designated
4 by the commissioner of health, to provide secondary prevention
5 swab team services to fulfill the requirements of section
6 144.9504, subdivision 6, in response to a lead order. Swab
7 teams assigned work under this section by the commissioner, that
8 are not engaged daily in fulfilling the requirements of section
9 144.9504, subdivision 6, must deliver swab team services in
10 response to elevated blood lead levels as defined in section
11 144.9501, subdivision 9, where lead orders were not issued, and
12 for purposes of primary prevention in census tracts known to be
13 in areas at high risk for toxic lead exposure as described in
14 section 144.9503, subdivision 2.

15 (c) Any additional money must be used for grants to
16 establish swab teams for primary prevention under section
17 144.9503, in census tracts in areas at high risk for toxic lead
18 exposure as determined under section 144.9503, subdivision 2.

19 (d) In evaluating grant applications, the commissioner must
20 consider the following criteria:

21 (1) the use of lead contractors and lead workers for
22 residential swab team services;

23 (2) the participation of neighborhood groups and
24 individuals, as swab team workers, in areas at high risk for
25 toxic lead exposure;

26 (3) plans for the provision of swab team services for
27 primary and secondary prevention as required under subdivision
28 4;

29 (4) plans for supervision, training, career development,
30 and postprogram placement of swab team members;

31 (5) plans for resident and property owner education on lead
32 safety;

33 (6) plans for distributing cleaning supplies to area
34 residents and educating residents and property owners on
35 cleaning techniques;

36 (7) sources of other funding and cost estimates for

1 training, lead inspections, swab team services, equipment,
2 monitoring, testing, and administration;

3 (8) measures of program effectiveness;

4 (9) coordination of program activities with other federal,
5 state, and local public health, job training, apprenticeship,
6 and housing renovation programs including programs under
7 sections 116L.86 to 116L.881; and

8 (10) prior experience in providing swab team services.

9 Sec. 4. Minnesota Statutes 2004, section 119A.46,
10 subdivision 8, is amended to read:

11 Subd. 8. [TESTING AND EVALUATION.] (a) Testing of the
12 environment is not necessary by swab teams whose work is
13 assigned by the commissioner of health or a designated board of
14 health under section 144.9504. The commissioner of health or
15 designated board of health must share the analytical testing
16 data collected on each residence for purposes of secondary
17 prevention under section 144.9504 with the swab team workers in
18 order to provide constructive feedback on their work and to the
19 commissioner for the purposes set forth in paragraph (c).

20 (b) For purposes of primary prevention evaluation, the
21 following samples must be collected: pretesting and posttesting
22 of one noncarpeted floor dust lead sample and a notation of the
23 extent and location of bare soil and of deteriorated lead-based
24 paint. The analytical testing data collected on each residence
25 for purposes of primary prevention under section 144.9503 must
26 be shared with the swab team workers in order to provide
27 constructive feedback on their work and to the commissioner for
28 the purposes set forth in paragraph (c).

29 (c) The commissioner of health must establish a program in
30 ~~cooperation-with-the-commissioner~~ to collect appropriate data as
31 required under paragraphs (a) and (b), in order to conduct an
32 ongoing evaluation of swab team services for primary and
33 secondary prevention. Within the limits of available
34 appropriations, the commissioner of health must conduct ~~or~~
35 ~~contract-with-the-commissioner,~~ on up to 1,000 residences which
36 have received primary or secondary prevention swab team

1 services, a postremediation evaluation, on at least a quarterly
2 basis for a period of at least two years for each residence.
3 The evaluation must note the condition of the paint within the
4 residence, the extent of bare soil on the grounds, and collect
5 and analyze one noncarpeted floor dust lead sample. The data
6 collected must be evaluated to determine the efficacy of
7 providing swab team services as a method of reducing lead
8 exposure in young children. In evaluating this data, the
9 commissioner of health must consider city size, community
10 location, historic traffic flow, soil lead level of the property
11 by area or census tract, distance to industrial point sources
12 that emit lead, season of the year, age of the housing, age and
13 number of children living at the residence, the presence of pets
14 that move in and out of the residence, and other relevant
15 factors as the commissioner of health may determine.

16 Sec. 5. [REVISOR'S INSTRUCTION.]

17 In the next edition of Minnesota Statutes, the revisor of
18 statutes shall renumber Minnesota Statutes, section 119A.46, as
19 section 144.9512.

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APPENDIX
Repealed Minnesota Statutes for 05-0098

123B.83 EXPENDITURE LIMITATIONS.

Subdivision 1. Reduce statutory operating debt. (a) Beginning in fiscal year 1978 and in each year thereafter, a district which had statutory operating debt on June 30, 1977 pursuant to section 126C.42 must limit its expenditures in each fiscal year so that the amount of its statutory operating debt calculated at the end of that fiscal year is not greater than the amount of the district's statutory operating debt as of June 30, 1977, as certified and adjusted by the commissioner, increased by an amount equal to 2-1/2 percent of that district's operating expenditures for the fiscal year for which the statutory operating debt calculation is being made.

(b) When a district is no longer required to levy pursuant to section 126C.42, subdivision 1, subdivision 2 is applicable.

126C.42 OPERATING DEBT LEVIES.

Subdivision 1. 1977 statutory operating debt. (a) In each year in which so required by this subdivision, a district must make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 2002 and thereafter; provided that in the last year in which the district is required to make this levy, it must levy an amount not to exceed the amount raised by a levy of a net tax rate of 2.67 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 2002 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 123B.79, subdivision 6, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(b) The district must establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(c) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Subd. 4. 1992 operating debt. (a) For taxes payable for calendar year 2003 and earlier, a district that has filed a plan pursuant to section 123B.83, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount must be reduced by referendum revenue authorized

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under section 126C.17 pursuant to the plan filed under section 123B.83. However, the total amount of this levy for all years it is made must not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy must be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 123A.73, subdivision 9, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy must be used only for cash flow requirements and must not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision must certify the maximum levy allowable under section 126C.13, subdivision 2, in that same year.

1 Senator moves to amend S.F. No. 1148 as
2 follows:

3 Page 44, lines 3 and 16, delete "60" and insert "20"

1 Senator moves to amend S.F. No. 1148 as
2 follows:

3 Page 18, line 31, delete "the public must be notified and"
4 and insert "school districts must publish notice of the report
5 in a periodical of general circulation in the district. School
6 districts must make"

7 Page 18, line 32, delete "made" and after "available"
8 insert "to the public"

9 Page 41, line 31, after the period, insert "The council
10 must include" and delete "of the" and insert "member who is"

11 Page 41, line 32, delete "members must be"

12 Page 41, line 33, after "school" insert "if a nonpublic
13 school is located in the district"